

STURM RUGER – 2022

HUMAN RIGHTS IMPACT ASSESSMENT

RESOLVED: Shareholders urge the Sturm Ruger board of directors to oversee a third party Human Right Impact Assessment (within a reasonable time and at a reasonable cost) which assesses and produces recommendations for improving the human rights impacts of its policies, practices and products, above and beyond legal and regulatory matters. Input from stakeholders, including human rights organizations, employees, and customers, should be considered in determining the specific matters to be assessed. A report on the assessment, prepared at reasonable cost and omitting confidential/proprietary information, should be published on the company's website.

WHEREAS:

The UN Guiding Principles on Business and Human Rights (UNGPs)¹ state that companies have a responsibility to respect human rights within their operations and throughout their value chains. This responsibility entails that companies should know their human rights risks and impacts; take concrete steps to prevent, mitigate, and remediate adverse impacts when they occur; and publicly communicate how they are addressing their most severe impacts on people connected with their business.

The inherent lethality of firearms exposes all gun makers to elevated human rights risks. In selling its firearms to civilians, Ruger assumes they will be used safely, and while that is mainly the case, the grave threat for product misuse and resulting harm to society is not accounted for in Ruger's governance structures or in policies or practices that would mitigate this threat.

Pew Research Center surveys (2021) show that nearly half (48%) of Americans believe gun violence is a "very big problem in the country today."² Gun violence increased during the pandemic and in the first nine months of 2021, gun deaths were up 9% and mass shootings up 15% over the same time period in 2020.³ While Sturm Ruger recently developed and posted a human rights policy to its website, the policy fails to address Ruger's most severe human rights risk; that of the potential harm that can result from the misuse of its firearms in violent events.

In 2019, in response to a shareholder proposal that achieved majority support, Ruger published a report on its measures to address gun safety.⁴ It should be noted that this report failed to put forward meaningful solutions to address gun violence. Moreover, the report did not assess or address the company's human rights risks.

Shareholders are increasingly urging their portfolio companies to put processes in place to identify, assess, and, where appropriate, address human rights risks. Human rights risks have direct implications for shareholder value and, depending on whether and how they are managed, can be a bellwether for a company's long-term viability.

A company's efforts to demonstrate that its policies and practices reflect internationally accepted human rights standards can lead to successful and sustainable business planning, and improved relations with customers, workers, communities, investors and business partners.

¹https://www.ohchr.org/documents/publications/GuidingprinciplesBusinessshr_eN.pdf

²<https://www.pewresearch.org/fact-tank/2021/09/13/key-facts-about-americans-and-guns/>

³<https://www.cnn.com/2021/09/19/politics/gun-violence-spike-2021-explainer/index.html>

⁴<https://ruger.com/corporate/PDF/8K-2019-02-08.pdf>