



Fiscal 2022 Sustainability Report

***ENDURING  
INNOVATING  
EMPOWERING***



THE TORO  
COMPANY



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# LETTER FROM OUR CHAIRMAN AND CEO



## OUR PURPOSE

Sustainability is deeply rooted in our purpose of helping our customers enrich the beauty, productivity and sustainability of the land. It is the foundation of our strategic priorities and affects multiple facets of our business. From advancements in water-saving irrigation technologies, to smart-connected, battery and hybrid solutions, our innovative lineup of products and solutions helps customers meet the demands of their jobs, while providing the power, productivity and performance they expect.

The commitment to advancing our sustainability goals, and helping our stakeholders advance theirs, has never been stronger at The Toro Company (TTC). We start each day thinking about how we can exceed customer expectations with innovative solutions and technologies, while fostering an inclusive environment that enables us all to do our best work together and give back to the communities in which our employees live and work in meaningful ways. Measuring and understanding the impact we have on the world provides us with insights to affect positive change. Looking back on 2022, I am reminded of how much we have accomplished, and I am inspired by the work we are doing today, which will ultimately help us achieve even greater things in the future.

## NOTABLE 2022 HIGHLIGHTS

### First In-Depth Materiality Assessment

Continuing to build on our momentum, we conducted a robust materiality assessment in 2022 to help confirm our environmental, social and governance (ESG) priorities. We worked with an independent third-party to conduct a review of prevalent ESG topics, understand the impact on our various value chains and engage with a variety of stakeholders to help prioritize topics of key importance to the enterprise.

### As a result, we identified eight areas of focus:

- Energy Use, GHG Emissions and Climate Change
- Water Use and Conservation
- Talent Attraction, Retention and Development
- Innovation
- Diversity, Equity and Inclusion (DEI)
- Product Safety
- Employee Safety, Health and Wellness
- Supply Chain

These important topics confirm the approach and direction we have established for both the immediate future and as part of our long-term sustainability journey.

### Progress Towards Our Multi-Year Goals

We remain committed to achieving the goals we identified in 2022. As previously highlighted, these important targets reinforce our commitments to:

- Increase battery and hybrid product sales to at least 20% of total adjusted net sales (motorized product sales) by fiscal 2025
- Reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by at least 15% by fiscal 2025 as compared to fiscal 2019
- Increase the number of women and racial and ethnic minorities in leadership positions by at least 20% by fiscal 2025 as compared to fiscal 2021

In 2022, we were able to affect meaningful change through numerous intentional steps and actions, and we are committed to continuing to build on our legacy of innovation to successfully achieve these goals.



## New Cutting-Edge Sustainable Solutions

At TTC, we want to help our customers leverage resources responsibly through our commitment to exceptional quality and delivering innovative products with the highest possible performance and efficiency. For example, water stewardship remains a key area of focus at TTC as we work to support landscape, golf and agricultural customers, with water being a critical input to their operations. In addition to product solutions, we foster water-focused education and collaboration with our industry partners. To provide additional fuel-saving options to our customers, we have continued to offer our hybrid-powered portfolio. TTC's hybrid-powered products deliver power when needed and result in fuel savings and reduced engine emissions when operated in economy mode.

With a strategic focus on expanding our suite of battery-electric and smart-connected solutions, we design our equipment with their entire lifecycle in mind, from inception to end-of-life recycling and proper disposal. Our new Hypercell® battery technology is an example of how we are responsibly addressing each phase of the battery lifecycle. As we continue to innovate in electrification in the markets we serve, we also provide additional customer support that enables the successful transition of power sources.

## Valuing Our People

Advancing a culture of safety within our working environments has always been a top priority at TTC. We believe that everyone plays a role in keeping themselves and one another safe. The EHS scorecard we improved this year highlights certain behaviors in our workplaces that help us identify ways to mitigate potential future risk. This tool and similar resources have helped us lower our Total Recordable Injury Rate (TRIR) and Lost Working Days Rate (LWDR) across the organization in 2022, but we acknowledge there is still more work to be done. We remain committed to driving change and building on our culture of safety.

We have always placed an importance on fostering a diverse, equitable and inclusive workplace. In 2022, we developed a comprehensive DEI roadmap and increased resources dedicated to accelerating the impact within TTC and in our broader communities. We launched TTC's Employee Resource Group (ERG), the Women's Initiative

Network (WIN), which provides an inclusive forum for support, mentorship and development. The goal of WIN is to create and promote a productive environment for women, those who identify as women and their allies across our businesses and functional areas. We continue to explore additional opportunities to create new and diverse resource groups that are representative of our employees' passions and interests. Although still in the early stages of our journey, we are committed to taking intentional steps to advance these efforts even further.

## TAKING ACTION FOR THE FUTURE

We are motivated by our purpose and remain committed to going above and beyond for all of our stakeholders each day. I have the greatest confidence in our market leading technologies, unmatched operational excellence and engaged people all of whom have made TTC stronger and able to successfully compete and win in key industries. With our cultural values at the core of our actions, we aspire to achieve even bigger things together in support of our communities, industries and one another.

Sincerely,



**Richard M. Olson**  
Chairman and Chief Executive Officer



**SUSTAINABILITYENDURES**



# ABOUT THE TORO COMPANY







All-season power with Toro's fully interchangeable Flex-Force Power System® that works across 75+ tools.

At TTC, our hard-working team sees opportunities to enrich our world with beauty and productivity, and the ambition to turn these possibilities into realities is what unites us. It is what drives us—colleagues, customers, partners and communities—to transform how a local business can cut and plow its way to growth; how a community can spring to life with revitalized infrastructure; how we make more of our world while demanding less of it; and how green spaces can bring generations of families together, host epic sports rivalries and instill community pride.

We expand what is possible through products, services and technologies that are thoughtfully engineered and grounded in more than a century of solving real human challenges and needs. We do it all with breakthroughs that solve bigger, tougher, more impactful challenges—each one uncovered and understood through relationships that endure season after season. Together, we seize the opportunities that turn aspirations for the world into new realities that impact lives and livelihoods.

TTC has delivered market-leading, innovative products and outstanding customer care for more than 100 years. Headquartered in Bloomington, Minnesota (United States), we design and manufacture turf maintenance equipment; turf and agricultural irrigation systems; landscape and lighting products; snow and ice management solutions; and rental, specialty and underground construction equipment. We market and sell TTC products worldwide through a network of distributors, dealers, mass retailers, hardware retailers, equipment rental centers and home centers, as well as online direct to end users.



# THE TORO COMPANY AT A GLANCE

Sustainability plays an integral role in determining and executing on our strategic priorities. We are committed to our purpose of helping our customers enrich the beauty, productivity and sustainability of the land. Sustainability is at the heart of how we innovate and is ingrained in our culture of investing in our people, serving our customers and giving back to local communities. Our longstanding commitment to quality, innovation and relationships is key to our leading market success. We are dedicated to developing new solutions and improving the performance, efficiency and sustainability of our existing product portfolio. We serve customers in more than 125 countries worldwide, generating \$4.5 billion net sales in the 2022 fiscal year.



**1914**

Company Founded



**~11,300**

Employees Worldwide



**\$4.51 BILLION**

Fiscal 2022 Net Sales

## Fiscal 2022 Net Sales by Geographic Location



## Fiscal 2022 Net Sales by Segment



## Fiscal 2022 Net Sales by Product





# GUIDING PRINCIPLES

Our success is deeply rooted in cultivating relationships built on trust and integrity. These relationships are the foundation of our market leadership in innovation and solutions that make outdoor environments more beautiful, productive and sustainable.

We work each day to build on our legacy of innovation and excellence with high-quality, customer-focused products and services. We are committed to fostering a meaningful and enriching work culture and an engaging employee experience. Our diverse workforce, our commitment to employee wellness and our environmental stewardship create a sense of community that fosters employee pride in their jobs while carrying out TTC's purpose, vision and mission.



## **OUR PURPOSE**

**To help our customers enrich the beauty, productivity and sustainability of the land.**



## **OUR VISION**

**To be the most trusted leader in solutions for the outdoor environment. Every day. Everywhere.**



## **OUR MISSION**

**To deliver superior innovation and superior customer care.**



# BRANDS AND PRODUCTS

TTC is a leading worldwide provider of innovative solutions for the outdoor environment, including turf and landscape maintenance, turf and agricultural irrigation, outdoor lighting solutions, snow and ice management, rental and specialty construction and underground utility construction. Built on caring relationships that help customers enhance outdoor spaces, our portfolio of global brands includes Toro, Ditch Witch, Exmark, Spartan Mowers, BOSS Snowplow, Ventrac, American Augers, Trenchor, Pope, Subsite Electronics, HammerHead, Radius HDD, Perrot, Hayter, Unique Lighting Systems, Irritrol and Lawn-Boy.



# AWARDS AND RECOGNITION

TTC is proud to have earned several awards in 2022 in recognition of our product innovation, environmental leadership and community support. These include:

- U.S. Environmental Protection Agency (EPA), WaterSense® 2022 Excellence Award, 8th consecutive year
- Association of Plastic Recyclers, 2022 Recycling Demand Champion
- Worth Magazine, 10 Most Sustainable Companies 2022
- FOCUS ON ENERGY® 2022 Energy Efficiency Excellence Award for the Tomah, Wisconsin, facility
- Equipment Today, 2022 Contractors' Top New Products
- Rental Magazine, 2022 Editor's Choice Award winner
- Construction Equipment, Top 100 New Products of 2022
- Wisconsin Department of Natural Resources, Green Tier Recipient, 10th consecutive year for the Tomah, Wisconsin, facility
- Green Industry Pros, 2022 Editor's Choice Awards
- Keep Riverside Clean & Beautiful, 2022 Sponsor of the Year Award

For more information, visit the [Awards and Recognition](#) page on our company website.





## CUSTOMERS

### Professional

We are a leading worldwide provider of innovative solutions for the outdoor environment including turf and landscape maintenance, snow and ice management, underground utility construction, rental and specialty construction and irrigation and outdoor lighting solutions. We market and sell our professional products to over 125 countries worldwide through a network of distributors and dealers, as well as directly to government customers, rental customers, professional users maintaining turf such as golf courses, sports field, municipal properties, as well as residential and commercial landscapes; installing, repairing, and replacing underground pipe and utilities; managing snow and ice demands; irrigating turf and agricultural fields; and creating, renovating and illuminating landscapes. Our products help customers meet the demands of their jobs while providing the power, productivity and performance results they desire. From advancements in battery and hybrid solutions, to smart connected products and water saving irrigation technologies, TTC is committed to further improve environmental and operational benefits.

### Residential

Our innovative solutions support homeowners in the beautification and maintenance of their outdoor environments year-round. Our full suite of products—from zero-turn riding mowers, walk-power mowers and snow blowers to yard tools and water-saving irrigation solutions—help homeowners cultivate an outdoor environment that can enrich functionality and bring families together. We design our residential products to make jobs easier and faster while minimizing environmental effects with a complete lineup of [75+ all-season, battery-powered yard tools](#). Our products help turn outdoor work into an efficient, smart and seamless experience with each passing season.



# SUSTAINABILITY FOCUS AND COMMITMENTS







*Toro Greensmaster eTriFlex® all-electric battery powered greens mowers at St Andrews Links in Scotland.*

Our commitment to sustainability is fueled by our purpose of helping our customers enrich the beauty, productivity and sustainability of the land. Sustainability is the foundation of our strategic priorities, and we are proud of integrating sustainability considerations across our businesses.

**To best advance sustainability and guide our strategic actions, we developed four sustainability pillars:**



**Product:** Commitment to develop innovative, safe and high-quality products that yield performance, productivity and environmental benefits for our customers.



**People:** Commitment to promote the growth, development, health, safety and wellness of our employees and give back to the communities where we live and work.



**Process:** Commitment to continuous improvement of operational and resource efficiency; energy, water and waste management; and lean management across our value chain.



**Planning:** Commitment to integrate sustainability into our culture by enhancing our strategic approach to sustainability initiatives, providing more transparency and supporting our pillars and program development.



# MANAGING OUR COMMITMENT

TTC's Vice President (VP), Strategy, Corporate Development & Sustainability and the Sustainability Committee, established in 2019 and comprised of leaders from across the business, work together to advance our global sustainability strategies and initiatives and monitor progress. Our VP of Strategy, Corporate Development & Sustainability reports to our Chairman and CEO and communicates progress of the Sustainability Committee to our Enterprise Leadership Team on a regular basis. Our Board of Directors (Board) oversees our sustainability strategies and initiatives and key aspects as appropriate through Board committees. For more information, please see our [Governance](#) section.

Our Sustainability Committee develops and implements sustainability initiatives on a global scale, including our 2025 sustainability goals and highlighted additional opportunities for action such as the United Nations (UN) Sustainable Development Goals (SDGs). The VP, Strategy, Corporate Development & Sustainability has responsibility for advancing TTC's sustainability commitments by driving, measuring and reporting related metrics in support of those 2025 sustainability goals.

Our Sustainability Committee provides input to help us assess our sustainability performance and identify areas of improvement. Historically, we evaluated our efforts annually; however, with the goal of continuous improvement in mind, we are increasing our evaluations from annually to quarterly in fiscal year 2023.





# FISCAL 2025 SUSTAINABILITY GOALS







# SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UN SDGs) serve as a blueprint for governments, businesses and civil society organizations to address the most pressing environmental and social issues globally. We are committed to doing our part to achieve the UN SDGs and advance towards a more sustainable future.

We reviewed the UN SDGs to identify where TTC is best positioned to make the most significant and meaningful impact. Below are six UN SDGs, with a summary of our programs and impacts to date.

UN SDGs	OUR ACTIONS
<p><b>6</b> CLEAN WATER AND SANITATION</p> 	<p><b>GOAL 6: CLEAN WATER AND SANITATION</b></p> <p>Ensure availability and sustainable management of water and sanitation for all</p> <p><a href="#">Read More →</a></p> <p><b>TARGET 6.4</b></p> <ul style="list-style-type: none"><li>▪ <b>Irrigation product innovation</b> increases efficiency and sustainable water withdrawal</li><li>▪ <b>Operations</b> promote water recycling</li><li>▪ <b>Land. Water. Thrive.</b> in collaboration with iDE and Opportunity International, educates smallholder farmers on water management best practices</li><li>▪ <b>Outreach</b> on water management issues, strategies and challenges</li></ul>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b>GOAL 8: DECENT WORK AND ECONOMIC GROWTH</b></p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p><a href="#">Read More →</a></p> <p><b>TARGETS 8.3, 8.4 AND 8.5</b></p> <ul style="list-style-type: none"><li>▪ Employment includes generous <b>pay, benefits, training, mentoring and ongoing education</b> that build competency</li><li>▪ <b>Operational improvements</b> increase resource efficiency and decrease environmental degradation</li><li>▪ Focus on building and maintaining a <b>diverse, equitable and inclusive</b> global culture</li><li>▪ <b>Land. Water. Thrive.</b> helps ensure access to income generating opportunities and technologies to support the economic growth of smallholder farmers</li></ul>



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE**GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE**

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

[Read More](#) →

**TARGETS 9.4 AND 9.5**

- Innovative **production processes and facilities** improve operational resource efficiency and decrease emissions
- Innovative **construction products** used by customers improve resource management and infrastructure sustainability
- Our **Center for Technology, Research and Innovation (CTRI)** increases global technological capabilities through scientific research and development focused on global solutions

11 SUSTAINABLE CITIES  
AND COMMUNITIES**GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES**

Make cities and human settlements inclusive, safe, resilient and sustainable

[Read More](#) →

**TARGET 11.7**

- Dedicated to providing the **products and tools** required to develop and manage safe, inclusive and accessible green public spaces
- **Employee volunteerism** focused on greenspace re-building and beautification that increases equitable access to public green spaces

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION**GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION**

Ensure sustainable consumption and production patterns

[Read More](#) →

**TARGETS 12.1, 12.2, 12.5, 12.6 AND 12.7**

- Operational focus on **lean management** to improve resource efficiency, waste reduction and recycling and circular economy practices
- **Annual reporting** of sustainability information including environmental, social and governance KPIs and metrics in this report
- Focus on developing a **supply chain management** approach that includes sustainable sourcing protocols

13 CLIMATE  
ACTION**GOAL 13: CLIMATE ACTION**

Take urgent action to combat climate change and its impacts

[Read More](#) →

**TARGETS 13.1, 13.2 AND 13.B**


- Annual reporting of **climate related actions, goals, commitments and metrics including greenhouse gas emissions** to help educate and raise awareness on opportunities and risks in and out of our industry
- **Developing internal processes** that address climate-related risks, increase resilience and build adaptive capacity





*Golf course superintendent at Kiawah Island Golf Resort in South Carolina using Toro's Lynx® Central Control to precisely apply water where needed.*

## **MATERIALITY ASSESSMENT**

In 2022, we conducted a materiality assessment to confirm our ESG priorities. A third party conducted a robust process, including identifying relevant ESG topics, mapping impacts to our value chain, engaging internal and external stakeholders, prioritizing topics and validating the results through a discussion with key members of our Enterprise Leadership Team. Through the materiality assessment, we validated our top eight material topics, which we discuss throughout this report, identified with an .

1. Energy Use, GHG Emissions and Climate Change
2. Water Use and Conservation
3. Talent Attraction, Retention and Development
4. Innovation
5. Diversity, Equity and Inclusion (DEI)
6. Product Safety
7. Employee Safety, Health and Wellness
8. Supply Chain

These topics will be a primary focus of our ESG strategy, goal setting, reporting and disclosure, as well as stakeholder engagement.



# ENGAGING INDUSTRY

TTC is an active member in several organizations and peer network groups focused on sustainability issues. These memberships allow TTC to gain insight on relevant industry-wide issues and provide opportunities to support solutions. Industry associations, key industry memberships and leadership engagements that focus on sustainability include:

- The [American Rental Association](#) represents owners of equipment and event rental operations, as well as manufacturers and suppliers of rental equipment. The American Rental Association aims to advance the equipment and event rental industry.
- The [Association of Equipment Manufacturers](#) promotes construction and agriculture equipment manufacturers and partners in the global marketplace. TTC serves on several Association of Equipment Manufacturers technical committees.
- The [City Parks Alliance](#) supports the creation, revitalization and sustainability of parks and green spaces that contribute to more vibrant and equitable cities.
- The [Committee for European Construction Equipment](#) promotes European construction equipment and related industries to achieve a fair competitive environment via harmonized standards and regulations.
- The [European Garden Machinery Industry Federation](#) serves as the voice of the outdoor equipment manufacturers to Pan-European regulatory bodies.
- The [Golf Course Superintendents Association of America \(GCSAA\)](#) is an association for professionals who manage and maintain golf courses. GCSAA provides its members with the tools and information necessary to be environmental stewards.
- The [Irrigation Association](#) is the leading organization for irrigation equipment and system manufacturers, dealers, distributors, designers, consultants, contractors and end users. Irrigation Association promotes efficient irrigation technologies, educates the public on best practices and improves industry proficiency through education.
- The [Outdoor Power Equipment Institute](#) represents the outdoor power equipment on industry issues ranging from developing standards to regulatory policy in the United States and Europe.
- The [Power Tool Institute](#) is the leading organization for power tool safety resources, information and education.
- The [Rechargeable Battery Association](#) advocates at the state, federal and international levels on lithium-ion and nickel metal hydride batteries issues. TTC leads the Rechargeable Battery Association Battery Product Stewardship subcommittee and the Environmental and Recycling subcommittee.
- The [R&A](#) is a leading body within the world of golf and engages and supports activities to ensure it is a thriving sport for all on a global scale. Producing thought leadership, practical publications and guidance, R&A promotes the adoption of sustainable golf practices.
- [RECHARGE](#) advocates for the sustainable development of an innovative and competitive rechargeable and lithium batteries value chain in Europe. U.S. and European TTC Product Integrity Specialists participate on RECHARGE subcommittees.



# PRODUCT

At TTC, we want to help the world do more with less—as innovatively as possible. Our commitment to extraordinary quality and our focus on problem solving have allowed us to tackle our customers’ toughest challenges. We are dedicated to providing innovative products with the highest possible performance and efficiency, with a strategic focus on expanding our suite of battery electric and smart-connected solutions across our portfolio. Our robust product design, test and manufacturing processes help ensure our products serve their intended purpose in a reliable and safe manner.





# PRODUCT LIFECYCLE

We design products with their entire lifecycle in mind—focusing on resource efficiency of our products from raw material extraction, through product use, to end-of-life recycling and proper waste disposal. By creating products that are built to last and can be repaired or refurbished, we increase value for our customers and reduce waste at end-of-life. When designing new products, we commit to safety and innovation for a more sustainable future. We comply with applicable local and international laws, regulations and standards that affect each stage of the product lifecycle to ensure we are creating high-quality products for our customers.

## Product Design

Product lifecycle at TTC starts with our product design process. Our Product Development System (1PDS) serves as a framework for new product development. Cross-functional teams within each of our divisions steer new products through the seven 1PDS stage-gates to apply best practices. 1PDS allows us to increase our speed to market, manage and evaluate projects and enable improvement culture.

We use multi-generational product plans (MGPPs) to guide our product design process. MGPPs are divisional roadmaps for products, smart-connected devices and digital experiences. Our MGPPs allow us to plan for product improvements, taking safety and the environment into consideration. Throughout product design, we assess compliance with applicable laws and regulations, as well as mandatory and voluntary standards for different target markets. Furthermore, we focus on customer-centric innovation, product safety and reliability, packaging and waste reduction and energy and water efficiency during product use.

*The all-electric GrandStand® Revolution® Series powered by the Toro Hypercell® battery system.*



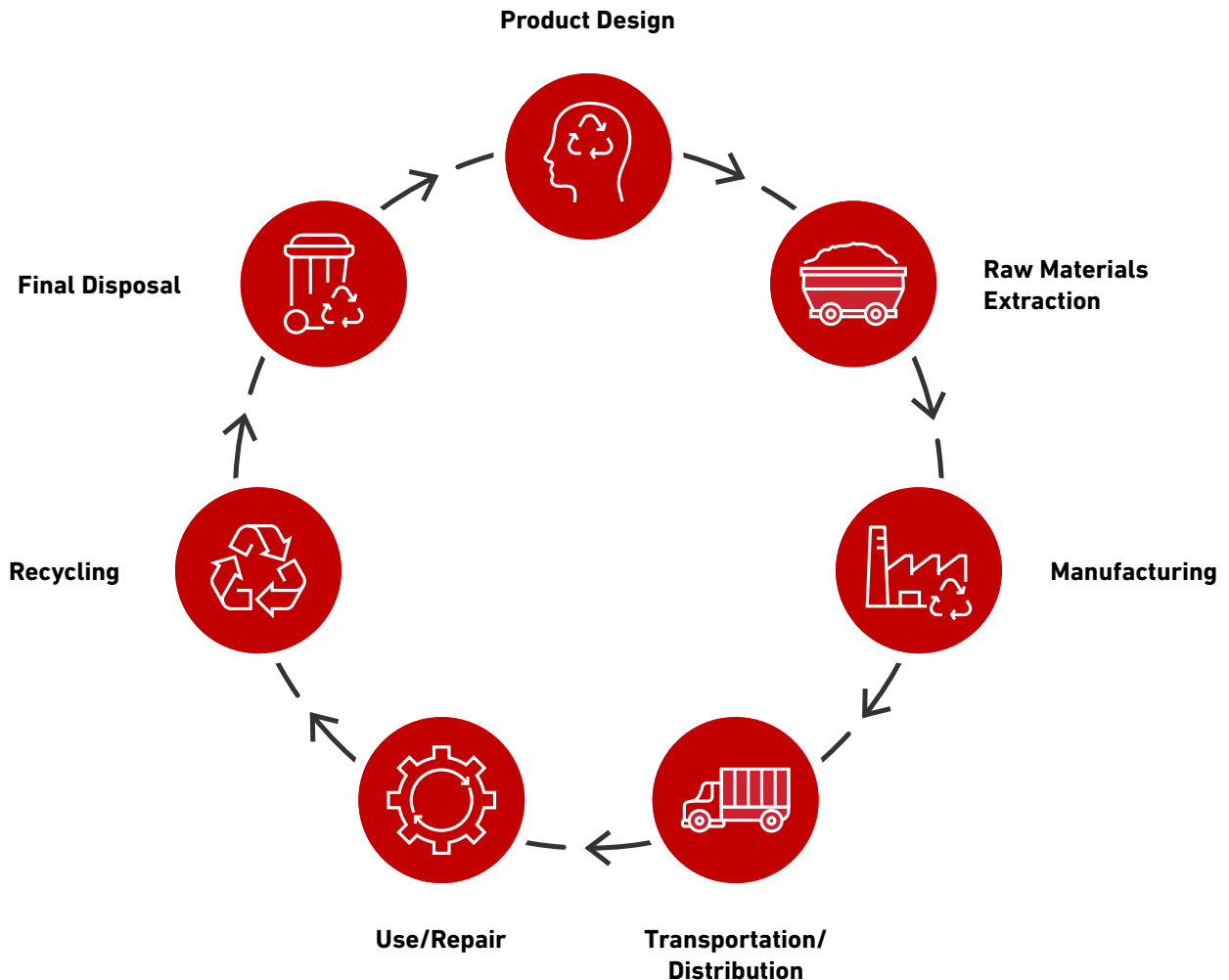
## INNOVATION

Customer and environmental needs drive TTC's innovation priorities. Through our products and services, we aim to solve customer problems and help achieve sustainability goals.

Our Center for Technology, Research and Innovation (CTRI) engages leading agronomists and engineers in the research and development of new, innovative products. CTRI assists our businesses in the product development phases focused on water conservation, energy efficiency, labor optimization and research and partnerships for innovation.

We innovate through voice of customer and with the environment in mind, which is why our strategic priorities focus on developing advanced battery, autonomous and smart technology solutions. In 2022, we introduced products that showcase our innovation. For instance, we announced our new residential battery-powered robotic mower, which will be a culmination of years of research and development. It is expected to feature industry-leading capabilities, including a vision based localization system with wire free navigation, tailored to each yard without underground boundary wire installation.

## PRODUCT LIFECYCLE







## GEOLINK® SOLUTIONS AUTONOMOUS FAIRWAY MOWER

[See our innovation in action.](#) TTC invested more than 20 years of research and development to develop the GeoLink® Solutions Autonomous Fairway Mower. This industry-leading product can support the golf industry to alleviate labor shortages and budget constraints.

### \* MATERIAL TOPIC

## PRODUCT SAFETY

Product safety is paramount at TTC and is guided by our Product Safety Policy and [Ethics Policy](#). Product Safety Committees, led by the divisional Product Safety Engineer and supported by our Product Integrity Team, are involved at the concept phase of product development to review safety standards and global laws and regulations and oversee the product throughout the entire development cycle. Once a product is in use, TTC continues to monitor consumer use through warranty claims, customer calls and reporting channels to review and update product safety notices and develop safer product designs.

Our product design and development processes include rigorous protocols for safety, and we ensure that all TTC products comply with mandatory safety standards set by the U.S. Consumer Product Safety Commission, the European Union (EU) Agency for Safety and Health at work and other agencies around the world. We also design our products in accordance with applicable voluntary safety standards and certify our products to relevant third-party standards, such as those prescribed by the Occupational Safety and Health Administration and the International Electrotechnical Commission for electric-powered products. During the product design and development process, we conduct robust product testing in different environments and conditions to assess our products' safety and confirm they meet customer needs.





## PACKAGING

During product design, we evaluate our packaging with end-of-life in mind. We thoughtfully consider potential minimization efforts that include decreasing reliance on non-recyclable materials, minimizing the use of plastics and, where possible, redesigning to use fewer materials. Over the last 15 years, TTC has implemented 13 returnable retail container programs.

Through returnable retailer container programs, we deliver riding and zero-turn mowers to thousands of customers using returnable steel containers. Our distribution teams use these containers to ship mowers, replacing the need for wooden crates and cardboard boxes, and can use these containers repeatedly. Team members retrieve the crates after the delivery of products from various North America locations, such as hardware stores, individual dealers and distributors, and mass retailers. As an example, we began shipping our Field Pro 6040 Stand-On Groomer in returnable steel crates instead of wood crates. Through this program, we prevented more than 94,000 pounds of waste from entering the landfill.

Additionally, our innovative product labeling using on-product digital labels (e.g., Quick Response [QR] codes) helps reduce waste by making manuals, warranty information and “Quick Start Guides” available digitally rather than in printed form. On-product digital label efforts also support customers by ensuring they have access to the most up-to-date information regarding their product and its proper and safe use.

### MATERIAL TOPIC

## ENERGY USE AND EMISSIONS

Creating energy-efficient products is one of the most important ways TTC strives to contribute to addressing global climate risks. Such products contribute to environmental stewardship and result in lower cost of ownership for our customers by reducing energy costs over the life of a product. We ensure power supplies and battery chargers used on TTC electric-powered products meet applicable energy efficiency regulations, including those administered by the California Energy Commission, U.S. Department of Energy and Natural Resources Canada.

TTC is focused on designing products that optimize power for increased performance and reduced waste. Our products utilizing Electronic Fuel Injection (EFI) technology exemplify energy efficiency for outdoor products. EFI eliminates the need for a carburetor by directly injecting fuel into an engine using electronic controls. Incorporating EFI technology into our products optimizes productivity by using engine sensors to monitor the exact amount of fuel needed at the optimal time and results in reduced fuel use.

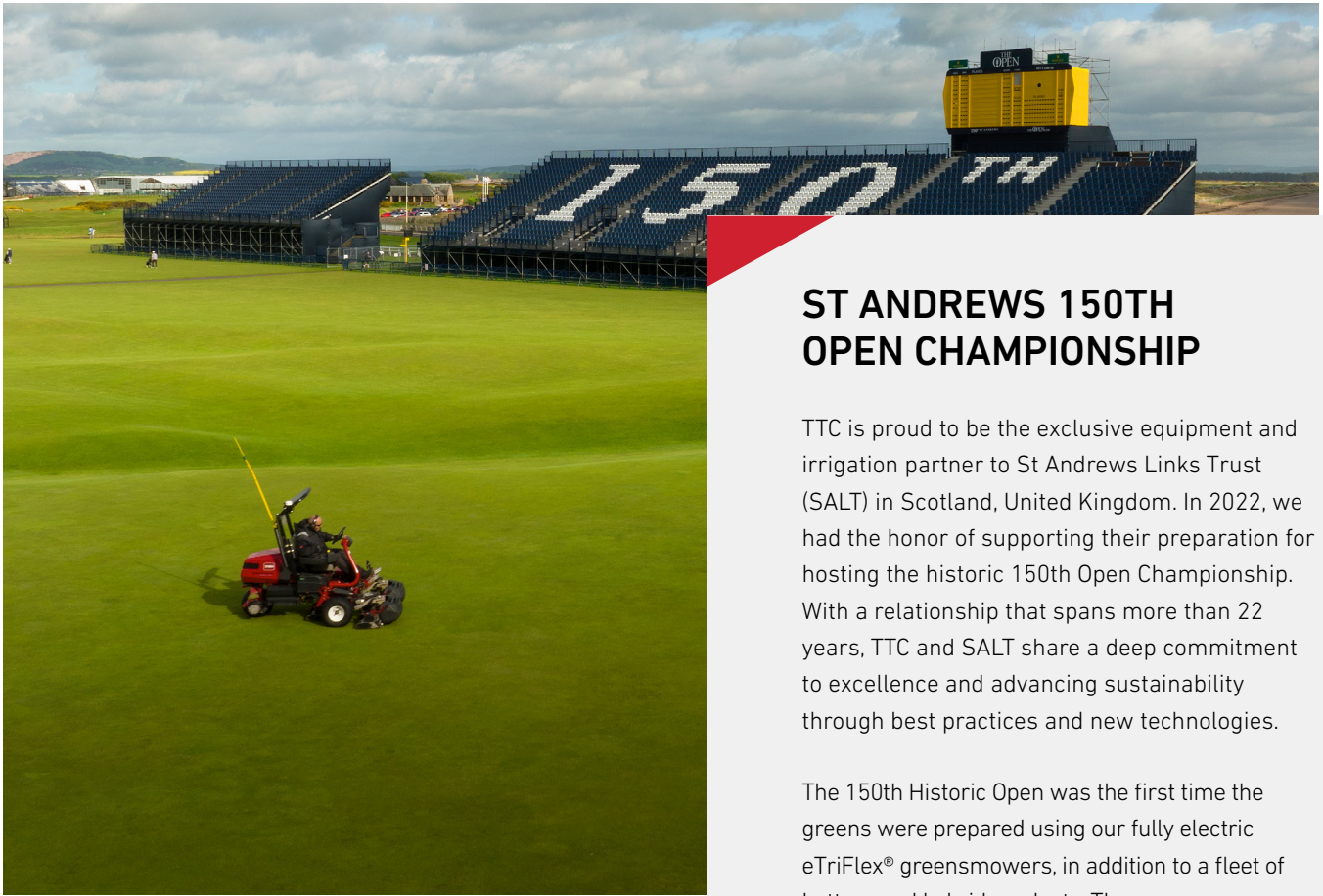
To provide even more fuel-saving options to our customers, we are expanding our portfolio of hybrid-powered products. Hybrid systems combine the convenience of standard fuel with battery-powered energy for reduced noise and increased fuel savings. TTC’s hybrid-powered products deliver power when needed and additional fuel savings and reduced engine emissions when operated in economy mode. By expanding our hybrid offerings, we continue making strides toward our goal to increase battery and hybrid product sales to at least 20% of total adjusted net sales by 2025. In 2022, battery and hybrid sales accounted for 6.4% of total adjusted net sales<sup>[1]</sup>.

California’s Clean Off-Road Equipment Voucher Incentive Project (CORE) for Professional Landscape Service Equipment launched in 2022, and TTC has participated in the program since its inception. The program provides point-of-sale customer rebates for CORE-eligible products to help microbusiness and small business landscape contractors transition from engine-powered to battery-powered equipment. TTC now has 25 products and approximately 80 independent dealers participating in the program.

We believe movement toward battery electrification, autonomous and smart-connected products will continue to grow. With this shift in mind, we continue to innovate to meet customer and environmental needs; for example, listening to such needs led to the development of products powered by propane, biodiesel and advanced battery solutions that enhance productivity while reducing engine exhaust and evaporative emissions. Whether gas, electric or hybrid, TTC strives to make products more energy efficient.

[1] Excludes non-engine sales such as irrigation, BOSS® (excluding Snowrator), parts and corded electric products.



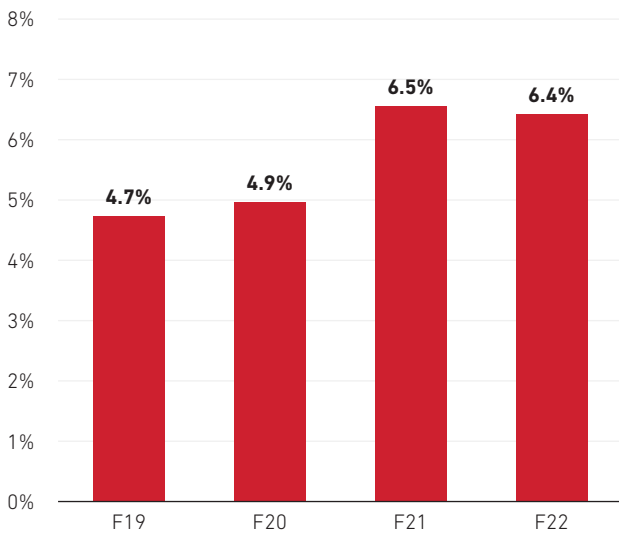


## ST ANDREWS 150TH OPEN CHAMPIONSHIP

TTC is proud to be the exclusive equipment and irrigation partner to St Andrews Links Trust (SALT) in Scotland, United Kingdom. In 2022, we had the honor of supporting their preparation for hosting the historic 150th Open Championship. With a relationship that spans more than 22 years, TTC and SALT share a deep commitment to excellence and advancing sustainability through best practices and new technologies.

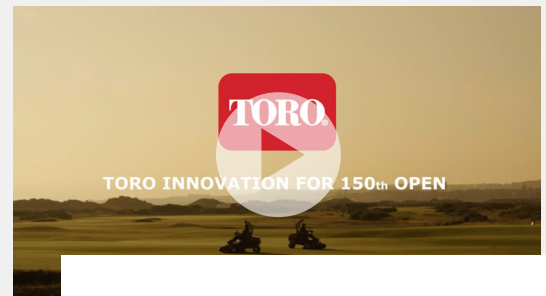
The 150th Historic Open was the first time the greens were prepared using our fully electric eTriFlex® greensmowers, in addition to a fleet of battery and hybrid products. These greensmowers increased worker efficiency, with lower noise pollution and zero engine exhaust emissions. As SALT furthers its efforts to have a positive impact on the environment, we are grateful for their trust in our battery and hybrid equipment technologies and water-saving irrigation solutions to care for their seven courses.

### Percentage of Sales From Battery and Hybrid Products<sup>[1][2]</sup>



[1] Excludes non-engine sales such as irrigation, BOSS® (excluding Snowrator®), parts and corded electric products.

[2] F22 figure includes the impact of the Intimidator acquisition.



**Learn more** about how we supported 150th Open Championship.

**\* MATERIAL TOPIC**

## **WATER USE AND CONSERVATION**

Water stewardship is a key concern for us, as well as for our turf, landscape and agricultural customers and partners as water is a critical input to their operations. Leveraging CTRI research and our product development process, we design products to enhance water stewardship across our industries.

In agriculture, our drip lines, drip tape and other irrigation products help customers reduce water use and improve crop yields. In 2022, we expanded our Aqua-Traxx Azul, which saves water due to its increased clog resistance and less frequent filter backwashing. Additionally, our Tempus Ag has automation benefits, irrigating the right amount of water resulting in increased water savings.

Our Lynx® Central Control System streamlines data collection and storage for our customers to support effective golf course management. The Lynx® Central Control System organizes past, present and future course data into a single, intuitive interface. Users can build personalized course maps to monitor, program and control irrigation activities from a single location. Our Lynx® system also offers integration with turf management components, including field hardware, weather stations or smartphones, to further enhance irrigation controls. As a result, users can access and manage irrigation data in one place to make better, more informed decisions.

TTC provides technologies that collect and monitor data to improve decision-making and educate customers on water usage. Tools that monitor climatic and soil conditions reinforce that customers are only watering when necessary, and dashboards and mobile controllers allow customers to make real-time decisions about water management. We received our 8th consecutive EPA WaterSense® Award in 2022, demonstrating our continued dedication to water conservation and efficiency in our products.

## **LEVERAGING BENEFITS OF LIQUID DE-ICING TECHNOLOGY**

In 2022, TTC acquired the liquid de-icing assets of Voight Smith Innovation (VSI). Liquid de-icing is more effective and efficient than traditional salt. It works about four times faster than rock salt and requires less product application because it cannot be blown off the surface to which it is applied. The salt reduction provides environmental benefits that include reduced salt runoff into local waterways during snow and ice weather events, benefiting local ecosystems and wildlife.

Liquids carry the certification of the Pacific Northwest Snowfighters (PNS) due to their lower corrosion factors. The low corrosion values protect structural assets such as door frames, light poles and veneers, including brick, stone and metal siding. VSI was a natural fit for TTC, not only to support snow and ice contractors with more effective and efficient products, but also to promote protection of water resources.





In addition to product solutions that support stewardship, we foster water-focused education and collaboration through our industry partnerships and associations, including the Irrigation Association, the Wyland Foundation, iDE and the National FFA Foundation. We also provide product and financial resources to organizations such as schools and nonprofits focused on educating students, professionals and homeowners on the economic and environmental benefits of water efficiency. In the water industry, we are active members of the Irrigation Association, California Agricultural Irrigation Association, the California Irrigation Institute and the American Society of Agronomy, among others.

## Raw Materials Extraction

At TTC, we source components from across the globe to bring our products to life. We thoughtfully design our products and intentionally select materials that minimize impact on the environment. We comply with applicable laws and regulations to obtain our materials in a sustainable and responsible manner. We strive to advance due diligence practices and improve our sourcing standards, where possible, to maximize the life of our raw materials and minimize waste. For more information, please see our [Materials Sourcing](#) section.

## Manufacturing

When assembling our products, we prioritize efficiency and lean enterprise management in our processes to maximize our resources while limiting our impact. By streamlining our approach, we can reduce our GHG emissions, energy usage, water usage and waste for each product design we manufacture. We also consider workplace safety and substance restrictions during product assembly. Each product is designed to adhere to legal and safety requirements to move through the product design stage-gates to safeguard our employees, customers and the environment. For more information, please see our [Operational Efficiency](#) section.

## Transportation and Distribution

Efficiency is a key consideration in our transportation and distribution strategy to optimize the delivery of our products. TTC does not currently operate its own fleet; however, our Global Logistics Team considers environmental impacts when planning transportation and distribution logistics for our products. It is our intent to create transportation routes that reduce fuel usage and maximize space on transport vehicles, shipping vessels and airplanes. Additionally, we encourage our third-party logistics providers to promote vehicle efficiency in their operations, where possible. TTC complies with global hazardous materials shipping regulations associated with shipping battery-, gasoline- and diesel-powered products and expects our transportation and distribution partners to do the same.



## Use and Repair

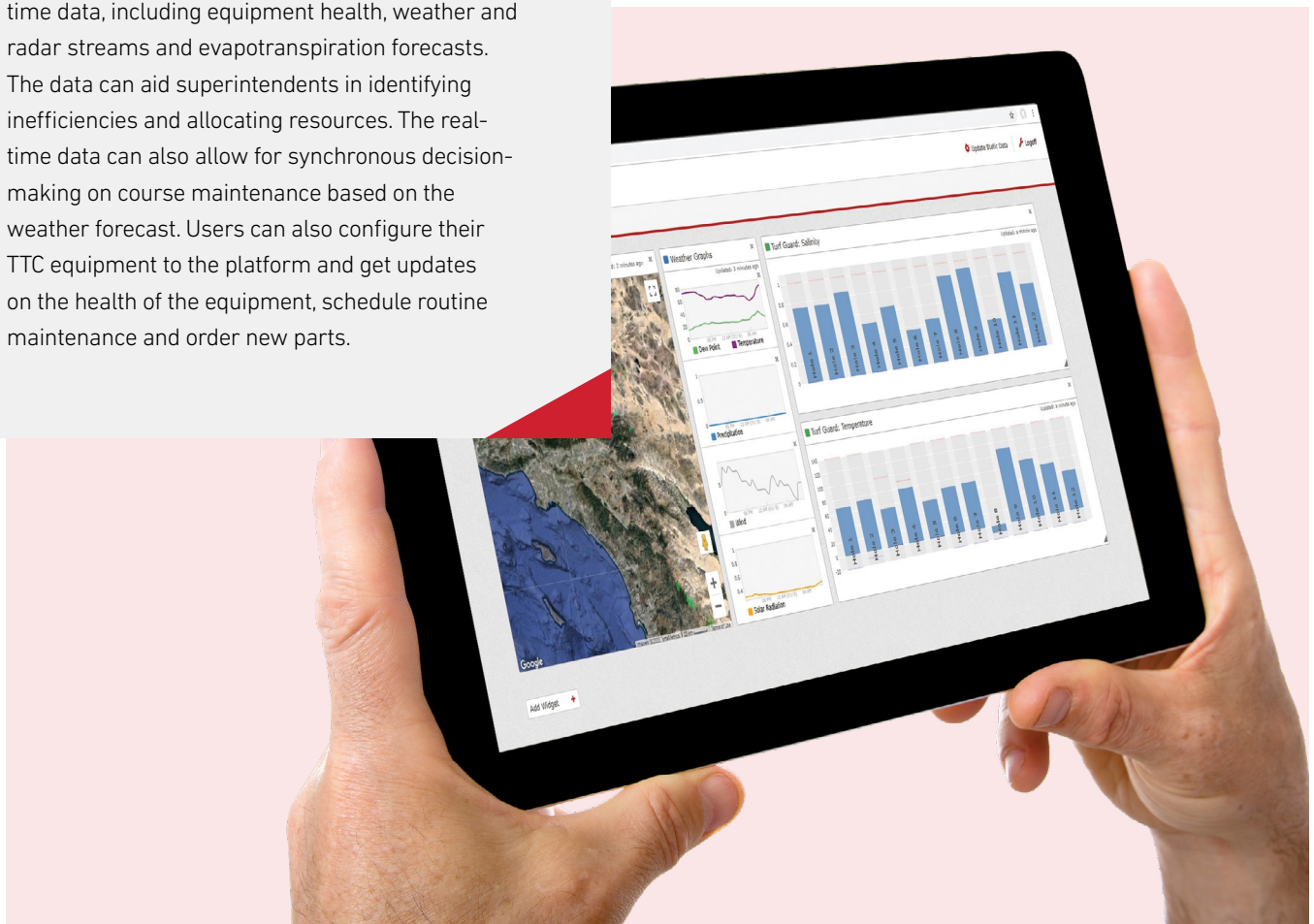
Product longevity is a core tenet of TTC's product design process. We aim to design products that maximize durability, allow for repair and maintain value. We believe that higher-quality products better meet customer needs, increase resource efficiency and support customer decisions to repair and reduce waste.

### INTELLIDASH® IRRIGATION AND FLEET MANAGEMENT PLATFORM

The launch of our IntelliDash® Irrigation and Fleet Management platform allows golf course superintendents to monitor, manage, track and maintain the health of their operations in one place. The platform provides superintendents with real-time data, including equipment health, weather and radar streams and evapotranspiration forecasts. The data can aid superintendents in identifying inefficiencies and allocating resources. The real-time data can also allow for synchronous decision-making on course maintenance based on the weather forecast. Users can also configure their TTC equipment to the platform and get updates on the health of the equipment, schedule routine maintenance and order new parts.

TTC supports a customer's decision to repair their own products, and we provide our customers with the resources they need to do so. We provide information, warranty instructions and educational materials related to product design, safety, use, repair and disposal on our [website](#). Product manuals provide customers with access to the information that can increase the longevity of their products. TTC divisions also have repair programs available to customers and independent repair businesses to promote the serviceability of our products. Today, our Irrigation division maintains a robust repair and refurbishment program.

Our channel partners provide significant support for customers' repair and reuse or resale needs. When going through repair and reuse, products may interact with multiple owners. Our channel partners play a key role in connecting customers with authorized service dealers and pickup and delivery services to successfully repair a product.







## Recycling

When designing products, we consider the environmental impacts at end-of-life, including component recyclability. By optimizing product components, we believe we can contribute to a more circular economy and reduce waste.

We believe circularity plays a key role in the development of a sustainable future. Starting with product design, we integrate design elements consistent with the EU Ecodesign Directive. We also promote the use of recyclable and reusable materials where possible. We consider recyclability an optimal end-of-life scenario for our products. As battery-powered products continue to replace internal combustion engines to combat climate change, battery end-of-life will become an increasingly important environmental concern. Through industry associations and partnerships, TTC is actively engaged in identifying solutions for battery recycling. We collaborate to develop programs to collect and recycle batteries through safe and legal mechanisms.

We engage Call2Recycle to recycle batteries from our products up to 60 volts. Through this partnership, customers return batteries to approved collection sites and Call2Recycle recycles the batteries, supporting our efforts to keep batteries out of landfills. At the manufacturing level, we use local recycling services to recycle any batteries from our plant operations.

## Final Disposal

As our product development teams work to bring our products to life, final disposal is a critical design element. We strive to reduce the amount of waste we contribute to landfills through our products. We adhere to applicable state and provincial laws prohibiting the disposal of specific wastes, as well as the EU Waste Electrical and Electronic Equipment Directive. Looking ahead, we will endeavor to develop our product lifecycles with principles of a circular economy to reduce the amount of product waste going to landfills.

# THE TTC REVOLUTION® SERIES IS THE FUTURE OF LAWN CARE



## PRODUCT DESIGN

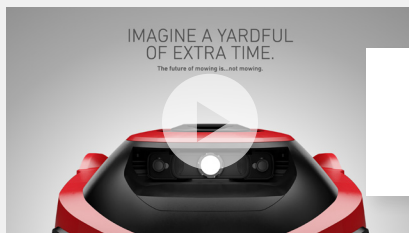
TTC's products showcase our dedication to implementing innovation, safety and environmental sustainability in our product design process. The Revolution® Series offers a wide range of innovative and sustainable outdoor power equipment solutions. Our cross-divisional product development effort enabled our HyperCell® battery technology to power commercial-grade products like the Z Master® Revolution® Series, GrandStand® Revolution® Series, e-Dingo™ 500, Ultra Buggy® e2500 and more. When designing these products, we created offerings that could provide instant power, quiet performance, long run-times and zero engine exhaust emissions.

We engage in rigorous product testing with the intent to ensure durability and longevity. Our goal is that customers can rely on their products to perform for years to come, reducing the need for frequent replacement and the resulting waste. We put our batteries through repeated rigorous product tests, including third-party safety certification, based on international, U.S., Canadian and EU safety standards. As a result, our HyperCell® batteries run cooler and provide superior handling, for safe and long run-times.

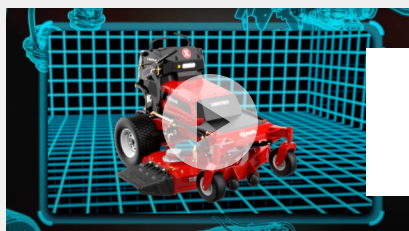
The Revolution® Series helps our customers reach their sustainability goals. Beyond zero engine emissions and reduced noise levels, we offer a wide range of resources and educational materials to help customers reduce their environmental impact. This includes tips on lawn care and maintenance that can help reduce water usage and improve soil health. By empowering customers to make sustainable choices, the Revolution® Series is the latest way we are helping to create a more sustainable future for all.



**Learn more** about how the Revolution® Series is transforming the way professionals care for lawns.



**Learn more** about how Toro is bringing robotic, battery-powered mowers to homeowners.



**Learn more** about how Exmark is eliminating engine exhaust emissions and reducing noise pollution.





## **RAW MATERIAL EXTRACTION**

We source materials from around the world for our batteries, including cobalt, nickel, copper and aluminum. Our HyperCell® batteries can be recycled at the end of their life to reuse these critical minerals.



## **MANUFACTURING**

Our Revolution® Series is manufactured with the same durability and world class performance for which Toro is known. We utilize shared components as much as possible to streamline our manufacturing process. Our exacting standards require extensive environmental and third-party safety testing so the Revolution® Series of mowers can stand the test of time.



## **TRANSPORTATION AND DISTRIBUTION**

We distribute our Revolution® Series products globally. We engineer our patent-pending battery and distributed Battery Management System to reduce the risk of accidental shock by de-energizing the battery, increasing the products' safety throughout transportation, distribution and use. When transporting our products, including Revolution® Series products, we adhere to applicable laws and regulations.



## **USE AND REPAIR**

We design our products to be long-lasting, quality pieces. With our Revolution® series, customers can say goodbye to valve adjustments, oil changes and air filter management. Our Battery Management system enables our Revolution® Series HyperCell® batteries to communicate with each other and place priority on efficiency and extended life. The Battery Management System also regulates the battery charge, discharge and temperature, helping to prolong the life of the battery.



## **RECYCLING**

The HyperCell® batteries used in our Revolution® Series products contain components and minerals that can be recycled at end-of-life. Battery recycling allows for the reuse of critical minerals and prevents metals and chemicals from entering our waterways and landfills. We continue to explore additional second life opportunities and are working to increase battery collection and recycling programs to make it easier for our customers to recycle our batteries.



## **FINAL DISPOSAL**

We have built our Revolution® Series with the goal of reducing waste at end-of-life. We also designed our HyperCell® battery technology to be recyclable and encourage end users to do so. Authorized disposal facilities properly dispose of rechargeable batteries to limit landfill waste.

# PEOPLE

Our people are the core of our operations, performance and success. Our global team is united by our shared passion to be the most trusted leader in solutions for the outdoor environment. To attract and retain a talented, diverse workforce, we focus on ensuring the safety of our workplace, promoting employee growth, development and wellness, creating meaningful work and supporting the uniqueness of each employee. By fostering a safe, inclusive and engaging workplace, we support our employees at work, at home and in the communities in which we live and work.







\* MATERIAL TOPIC

## **EMPLOYEE HEALTH AND SAFETY**

At TTC, ensuring our global workforce and contractors return home safely each day is a top priority, and we strive for zero incidents in the workplace. We embed safety, health and wellness in our day-to-day work streams through dedicated teams, engagement activities, trainings and programs as we continually enhance our standards and work to eliminate incidents.

Our dedicated health and safety teams and leaders implement our annual training, standards development and performance monitoring. This allows us to continually improve our health and safety culture and identify areas for opportunity to strengthen our commitment to a safe workplace.

We believe that employee health and wellness reach beyond the workplace. For more information, please see our [Employee Benefits and Wellness](#) section in Talent Attraction, Retention and Development.

### **Our Safety Management Approach**

Our Employee Health and Safety Policy summarizes our environmental, health and safety (EHS) expectations and commitments to all TTC employees. To deliver on our safety commitments, we monitor our performance and increase awareness through our EHS management system, online data management platform and employee engagement activities.

TTC's EHS Management System includes a collection of tools to advance safety protocols and drive transparency. Our EHS data management, dss+ STOP®, and VelocityEHS® Industrial Ergonomics applications equip our employees with behavior-based safety skills and awareness to mitigate the likelihood of incidents before they occur using hazard identification, preventive and corrective solutions and ergonomic assessments of our production and material handling processes.

Our employees and contractors can access materials to further advance their own understanding of safety related to their personal work environments. In 2022, we updated our online learning system to provide more recent, relevant and in-depth information. We also implemented supervisor-level training, safety advocacy studies and interactive training sessions to enhance employee safety understanding.

To help us monitor safety performance and awareness enterprise-wide, our online data management platform tracks the following key performance indicators:

- Employee-reported hazard identifications and corrections
- Behavior-based safety observations
- Completed employee training
- Site-specific compliance inspections
- Near misses
- Corrective action completion progress

## Our EHS Team

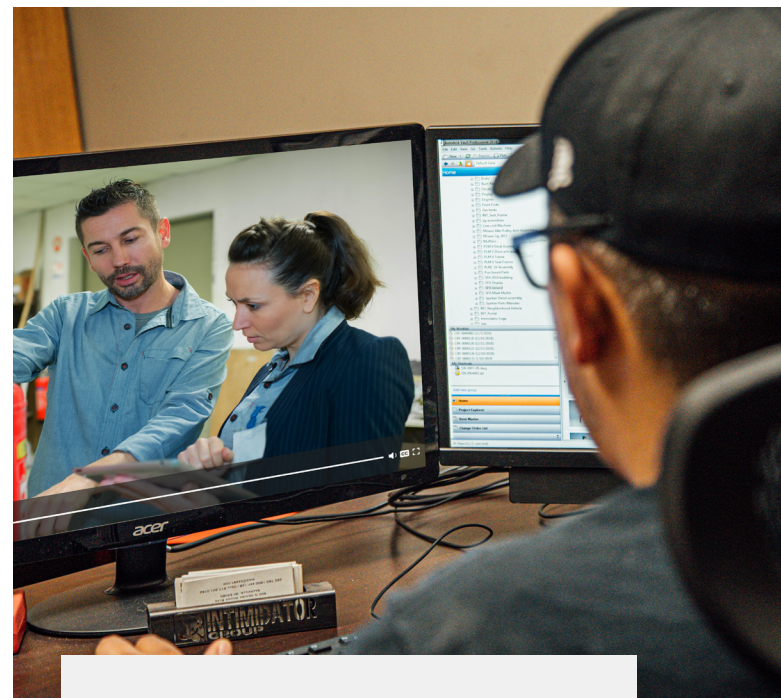
Through our EHS governance structure, we integrate EHS activities across our enterprise. Our Board oversees EHS activities at the enterprise level and EHS teams throughout the organization manage the implementation of our EHS Policy and EHS Management System. Our global EHS leadership team includes global EHS leaders, safety committees, safety specialists, safety advocates and EHS managers.

Our global EHS leadership team manages programs related to ESG, EHS, security and workers' compensation. Site EHS leaders manage EHS programs at each individual facility and establish EHS protocols for operations.

Site leaders ensure that manufacturing and warehousing employees adhere to our EHS policy and are ultimately responsible for EHS matters in their respective facilities. Our local site leaders receive support from two groups: our EHS committees, which are responsible for leading employee EHS engagement activities with support from safety advocates, and our safety managers, who are responsible for safety oversight and instruction at our finished-product assembly facilities and distribution centers. EHS site leaders report to our operations directors, in the case of our locations outside of North America.

## Promoting Safety Education and Engagement

Employees are required to complete safety training. Employees worldwide have access to EHS safety training and educational resources and are covered by our EHS management system. These safety tools guide employees to proactively monitor their work environments and prevent safety concerns from becoming safety incidents.



**> 90%**

**of our manufacturing and distribution staff completed EHS training since March 2022.**



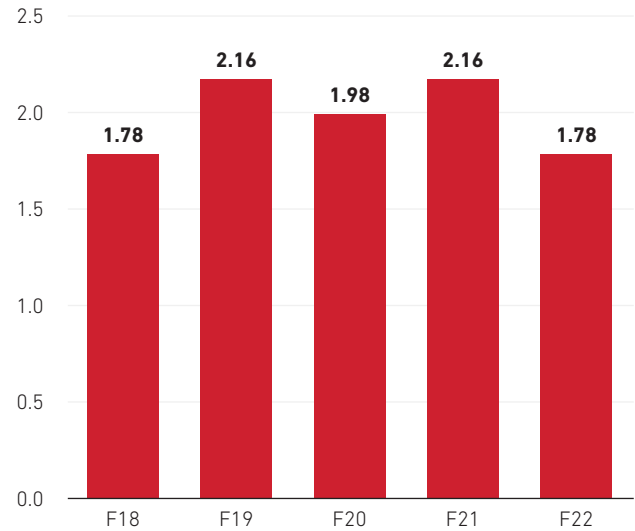
We engage our employees through the SafetySkills® online training application and Learning Management System to cultivate a safe work environment. Depending on their job function, certain employees, such as manufacturing and warehouse workers, are responsible for completing mandatory, job-specific EHS training courses in SafetySkills® on a monthly basis. Through our EHS software system, employees can monitor their training status and complete required training lessons in one of our on-site training workspaces. All employees have access to these training materials. Since deploying this training system in March 2022, our EHS training completion rate is above 90% for our manufacturing and distribution staff.

In addition to our training application, our EHS scorecards and safety meetings help us track, measure and communicate safety best practices and improvement areas across our organization. Our EHS scorecards use live, behavior-based observations to show safety status and progress. These EHS scorecards highlight leading indicators and behaviors in our workplaces to help identify ways to mitigate potential issues in the future. Each location's EHS leader inputs its safety status monthly to evaluate:

- Safety training completion rate
- Behavior-based safety observations rate and number
- Number of safety-related facility compliance inspections
- Number of hazards identified either by employees or during Hazard ID and Correction events
- Number of hazards corrected by line employees
- Number of near-miss incidents reported and investigated
- Number of corrective actions based on days open
- Number of closed corrective actions

We hold monthly virtual safety best practices calls. Company safety leadership, including divisional leaders, EHS site level and regional leaders, attend the virtual meetings to communicate EHS performance, discuss EHS improvements and enhance long-term EHS strategy.

## Total Recordable Injury Rate (TRIR)<sup>[1][2][3]</sup>

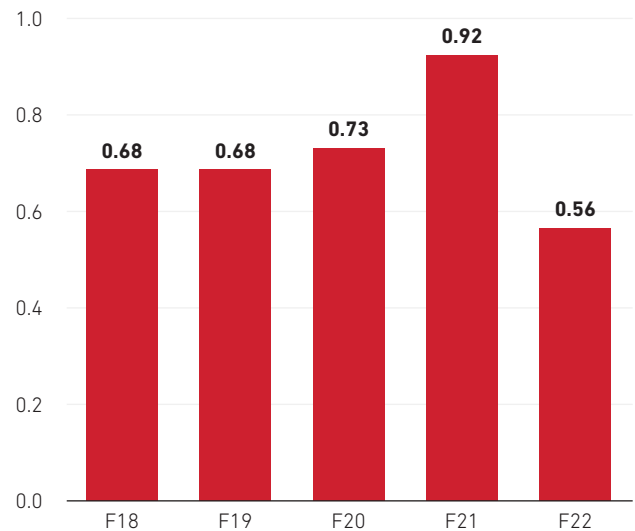


[1] Rates are calculated as (statistic count x 200,000)/hours worked.

[2] Rates include both full-time and contract employees.

[3] F22 data reflects the acquisition of the Intimidator Group.

## Total Lost Working Days Rate (LWDR)<sup>[1][2][3]</sup>



[1] Rates are calculated as (statistic count x 200,000)/hours worked.

[2] Rates include both full-time and contract employees.

[3] F22 data reflects the acquisition of the Intimidator Group.

# DIVERSITY, EQUITY AND INCLUSION

## Our Workforce



**5 GENERATIONS REPRESENTED AT TTC**

**<1%**

Traditionalists

**14%**

Baby Boomers

**29%**

Generation X

**45%**

Millennials

**11%**

Generation Z



**47%** of our Global workforce has been with TTC for more than 5 years



**76**

paid internships  
at 8 locations



**~10,600 MI**

from our Bloomington,  
MN headquarters to our Pope Irrigation  
Location in Australia



**27%**

of TTC's global  
workforce identify  
as women



**7%**

of TTC's U.S. workforce  
identify as veterans

## Giving



**7,710 TOTAL VOLUNTEER HOURS** logged by TTC Employees

## Workplace



**ERGs**

TTC WIN  
Established in 2022



**OVER 200**

employees engaged  
in TTC WIN in 2022



**WORKPLACE LEARNING**

The top accessed learning-on-demand course of 2022  
was Workplace Diversity, Equity and Inclusion in Action





## **WOMEN LEADERSHIP**

Increase the number of women in leadership positions by at least 20% by 2025 compared to 2021. In F22: **19.6% to 18.9%**



## **DIVERSE LEADERSHIP**

Increase the number of racial and ethnic minorities in leadership positions by at least 20% by 2025 compared to 2021. In F22: **8.9% to 10.1%**

Respect and trust are enduring values of TTC, and we respect the unique backgrounds and perspectives we all bring to work. We believe that a diverse workforce, an employee experience that values inclusion and robust and equitable people practices and offerings, is integral to our continued success. More specifically, these facets combine to help us to:

- Attract and retain top talent
- Build the best teams for superior innovation and customer care
- Ensure our long-term workforce sustainability
- Support similar efforts in our communities and industries

We acknowledge that diversity encompasses many dimensions of perceived differences and similarities. These can take the form of visible and known aspects like race, gender, age and tenure, to less visible or known aspects like country of origin, gender identity, spirituality and more. TTC is advancing its diversity, equity and inclusion (DEI) journey, and we are focused on taking intentional and evidence-based actions to successfully integrate DEI into our long-term strategy.

We are demonstrating our commitment through pursuit of our goals in this area to increase representation of women and racial and ethnic minorities in leadership positions by 20% by 2025, as compared to our 2021 baseline. Since 2021, the share of racial and ethnic minorities in leadership positions increased by 13.0% and the share of women in leadership positions decreased by 3.8%. We are actively working to align resources and build infrastructure to make meaningful progress as we work to deliver on our DEI commitments, including our goals to increase diversity in leadership positions. We invest in the diversity of our workforce in numerous other ways including generational diversity, geographic/national diversity, military or veteran status and more.

We focused our 2022 efforts on developing our DEI foundations roadmap, making investments in DEI staff, data and reporting infrastructure to inform strategy and initiatives, offering internal educational resources, groups and events and strengthening relationships with community organizations.

We added two dedicated positions to help develop and implement DEI strategies and initiatives and accelerate our progress.



## VETERANS DAY EVENTS

Veterans are a valued and recognized identity within our company. Though our daily actions celebrate these employees, our sites host special featured events throughout the year. In 2022, several of our facilities hosted large events and activities in honor of veterans.

- In Bloomington, approximately 80 veterans and special guests attended a Veterans Day breakfast for all Bloomington and Shakopee (Minnesota) employees who have served or are currently serving in the military.
- Our newest Batesville location crafted veteran identification tags and unveiled a recognition wall that recognized all current military and former veterans. Similar identification tag walls have been initiated at other TTC sites.
- In collaboration with the Perry community, our Ditch Witch® team hosted a recognition ceremony and breakfast to celebrate active military members and honor fallen soldiers. Our Chairman and CEO, Richard M. Olson, and other external representatives participated in the event.

Beyond recognized celebration days, we prioritize ongoing efforts in support of our veterans. We leverage our recruitment efforts and relationships with veteran organizations across the country to engage more veterans in our talent pipeline. We also seek to bring active troops into our workforce through programs in our divisions.

To further our organization's understanding on how to create an inclusive environment for all, we enhanced our awareness events and educational resources. The SkillSoft Percipio learning platform provides an ever-growing set of on-demand learning for general business education and personal development as well as DEI topics such as adopting an inclusion mindset at work and exploring each of our roles in workplace DEI. Over 80% of our professional employee population used SkillSoft Percipio on-demand resources in 2022, and 64% of courses they accessed were DEI-related. The most-accessed course in 2022 was "Workplace Diversity, Equity and Inclusion in Action."

To broaden knowledge of various backgrounds and identities and help our employees see themselves celebrated in our workplace, we honored multiple heritage months and awareness days throughout 2022 using resources, learning materials, volunteer and philanthropic opportunities and larger events to reflect, represent and support our communities. For example, many of our locations hosted events for Black History Month, International Women's Day, Pride Month, Hispanic Heritage Month and Veteran's Day, among others. TTC encourages the development and growth of our employee-motivated and employee-led ERGs to offer employees opportunities to build community and networks, champion their own development and that of others and find ways to increase our community impact. We apply a conscientious and sustainable approach to the formation, structure and operation of current and future ERGs and provide executive support and funding to nurture success.



We launched TTC's first ERG in March 2022. TTC Women's Initiative Network (WIN) provides a forum for support, mentorship and career development for women, those who identify as women and their allies. The goal of TTC WIN is to create and promote a supportive and productive environment for women across all businesses and functions. In the first year of TTC WIN, we promoted an International Women's Day Campaign, hosted the speaker event "From Surviving to Thriving," conducted several listening sessions with WIN members and launched a mentorship program, among other activities, to drive meaningful impact for employees. The group now includes over 250 members. This success prompted the launch, in early 2023, of our second ERG: Leading, Emerging & Advancing Professionals (LEAP), which aims to champion the growth and development of early career professionals. Where we have employee energy and passion in championing additional ERGs for the benefit of members and the company, we will continue to support the formation of these groups.

Our human capital management system enables us to assess and manage employee data across the enterprise via a single global database. This results in a more robust analysis of our workforce and a better understanding of our landscape of opportunity. It is crucial for our company to understand where we are today to help guide our actions to realize a more diverse workforce, with equitable opportunities for growth and advancement and an unrivaled inclusive workplace experience for all employees. One of our next steps includes dashboarding workforce and labor force metrics to further enable our strategic focus, action planning and accountability.

Impact beyond the walls of our company is core to the fabric of TTC. Today sites engage with the community through organizations and giving opportunities that support historically underrepresented and marginalized communities. One partnership that speaks to our race and racial justice efforts is with the African American Leadership Forum (AALF). AALF uses Black-Centered Design to generate community-informed solutions that advance racial justice. AALF aims to transform the future of African Americans in Minnesota by supporting the movement United by Black, Powered by All. Through AALF, TTC participates in discussions with community leaders to better understand and support a more inclusive future in Minnesota.

## MATERIAL TOPIC

# **TALENT ATTRACTION, RETENTION AND DEVELOPMENT**

We continuously evaluate ways to create an unrivaled employee experience. We strive to equip our teams and talent to deliver on the company's commitments to excellence and to foster an environment where employees continue to choose TTC every day. We offer career growth and learning opportunities to current and future employees to strengthen our talent pipeline and to attract, grow and retain top talent that delivers outsized results.

## **Investing in Our People**

Through job training, mentoring and coaching, business and leadership development, apprenticeships and rotational programs, we provide development opportunities and resources designed to meet the intersection of employee and company needs. We believe growth looks different for everyone, and we aim to provide a variety of resources and opportunities to reach the right people at the right time. Our talent is vital to TTC's success, and we strive to build the best teams and engage employees in purpose-driven work.

We leverage regular conversations between employees and their supervisor or manager to identify needs for the team and the individual. Employees meet with supervisors or managers for informal check-ins, along with more formal conversations for performance reviews. These intentional opportunities to connect help address feedback early, identify learning and performance opportunities, improve trust and engagement and build strong partnerships.

We receive employee feedback through our biannual global engagement survey and annual topic-specific pulse surveys. These surveys provide insights to our employees' perceptions and needs based on individual circumstances, such as location, business unit, job function or employee demographic. We leverage pulse surveys to help shape beneficial and impactful activities, offerings and programs. Using employee insights, we can continue developing the best environment possible for employees to grow and do their best work.

## 2022 TTC SCHOLARSHIPS

Our legacy of educational advancement is a longstanding component of TTC's philanthropic giving. Through The Toro Company Scholarship Program and the Mike and Tami Hoffman Scholarship Program, we grant TTC employees and their families scholarship funding. The Toro Company Scholarship Program, established in 1976, provides awards ranging from \$1,000 to \$4,000 based on community involvement, honors, work experiences, leadership and academic record. The Mike and Tami Hoffman Scholarship Program, established in 2017, provides tuition assistance based on financial need, courtesy of former TTC CEO Mike Hoffman and his wife Tami. In 2022, we granted \$356,500 to 135 students.

## DEVELOPMENT PROGRAM HIGHLIGHTS

### LEADERSHIP IN MOTION

Our Leadership in Motion (LIM) program is a three-month learning experience for nominated current and future TTC leaders to enhance leadership skills and collaborate with TTC colleagues in a cross-functional setting. The global program expands employee networks, provides visibility within the company, and builds capabilities needed for TTC's future. Participants work with a selected nonprofit, practicing their skills and serving the community in alignment with TTC's culture of giving back. In small groups, participants work on a challenge critical to the company, such as technological innovation, communications, diversifying the workforce and talent retention. Over three months, they learn as a team, use newly gained skills and ultimately present recommendations related to their challenge to our Enterprise Leadership Team. Insights, themes and recommendations from cohort teams have contributed to actions in many areas for the company.

### DITCH WITCH® ACADEMY

Ditch Witch® Academy is one of our notable upskilling programs. This program trains applicants, who are being paid as full-time Ditch Witch® employees, in skills necessary to be a Ditch Witch® production employee. The nine-week course incorporates classroom time to teach manufacturing fundamentals and on-floor instruction.



2022 Leadership In Motion Program



After completing the program, participants can earn their National Career Readiness Certificates and Occupational Safety and Health Administration ten cards, and we hire participants onto our production team. In 2022, the program focused on increasing the number of machine operators and welders for off-shift positions.

### **DEVELOPMENT THROUGH EXPERIENCES**

TTC leaders recognize that exposure to new experiences and networks is an important component of professional growth. Within integrated supply chain, we are growing a formalized rotational program. This three-year program is designed to accelerate the development of future operational leaders. Participants gain exposure to different job roles within TTC's integrated supply chain, such as manufacturing engineer, materials specialist and project coordinator, and rotate between three different roles of interest across our manufacturing locations completing their rotation as a line supervisor. Employees graduate from the program with mentorship from leaders across TTC, additional skillsets, a stronger network and more TTC product and manufacturing expertise.

### **OTHER DEVELOPMENT OPPORTUNITIES**

We offer additional development opportunities such as peer coaching, learning assignments and an education reimbursement program. Our educational reimbursement program provides eligible employees who complete work at accredited educational institutions reimbursement of costs associated with tuition, books and other school-related expenses. Other career development opportunities include our Leadership Development Forum and Front-Line Leadership Excellence Program, in addition to a variety of other curricula and development opportunities.

## **Future Talent**

As our company continues to grow and evolve into new markets and geographies, so do the talent and skillsets we require to deliver on our company purpose, mission and vision. We strive to build strong pipelines to attract qualified, diverse talent who reflect our values, are energetic about our purpose and possess the skills needed for our future. By actively cultivating the pipeline of future talent, TTC helps shape the future of our industries, is better prepared to serve our customers and has an opportunity to engage with and be leaders in our communities.

*The Toro Company Engineering Scholars Award Recipients, in partnership with the AUCC Dual Degree Engineering Program.*



**In 2022, TTC established a partnership with the Atlanta University Center Consortium's Dual Degree Engineering Program.**

Summer internships provide an opportunity to introduce TTC to future talent by offering unique, hands-on learning experiences and collaboration with teams across our organization. We supplement these experiences with a leadership speaker series, project showcase and volunteer opportunities. During 2022, we provided paid internships for 76 students at eight TTC locations.

TTC has a longstanding commitment to education and ongoing learning, partnering with organizations to help shape and fund youth education and access to opportunities. In 2022, we contributed to Science, Technology, Engineering and Mathematics (STEM) education by supporting youth robotics teams with volunteer time and expertise.

Also in 2022, TTC established a new partnership with the Atlanta University Center Consortium's (AUCC) Dual Degree Engineering Program (DDEP) to expand opportunities for Black students to pursue careers in engineering. The partnership supports the TTC Scholars, a scholarship commitment over the next five years that will provide a \$375,000 grant to support student scholarships, in addition to paid engineering internships across TTC.



## JOB SEEKER ASSISTANCE

Entering 2022, we joined the non-profit Prosperity Ready as their first employer partner, offering the expertise of some of our employees to aid in their Degreed Immigrant Job Seeker Programs. Prosperity Ready is dedicated to supporting degreed immigrant professionals, both new arrival refugees and longer-term immigrants, in Minnesota. They help refugees and immigrants secure employment with employers who are dedicated to a diverse workforce. TTC shared presentations and content with their immigrant cohorts about company culture and preparing for work. In addition, partnering with Prosperity Ready provided TTC with more diverse candidate options. Through our partnership, we have met highly qualified individuals in many fields and have hired our first new Minnesotan from Afghanistan into the Integrated Supply Chain organization.

This is our first funded scholarship partnership with a college-level institution, specifically targeting engineering talent. The AUCC's DDEP is a robust program that produces exceptional engineering talent, which has been a target of our recruitment efforts. AUCC DDEP is a collective of Historically Black Colleges and Universities—Clark Atlanta University, Spelman College, Morehouse College and Morehouse School of Medicine—on a mission to significantly increase the number of African American engineers and infuse a sense of global awareness in the profession. With the AUCC DDEP and TTC partnership, we are making intentional strides to advance diversity of our engineering talent pipeline.

TTC, through its acquisition of the Intimidator Group, has a unique partnership with the University of Arkansas Community College at Batesville (UACCB). Since 2016, the Intimidator Group and UACCB have united to support student technical education pathways and careers. TTC employees participate through activities like sitting on advisory boards and sharing their subject matter expertise to aid in curriculum design and grant writing.

UACCB has expanded to include opportunities for technical education with an associate degree in Industrial Technology and a welding certification program. TTC employees across our Integrated Supply Chain, human resources and other relevant teams serve on the career technical education welding advisory board and participate in educational outreach to discuss career opportunities upon graduation.



## Employee Benefits and Wellbeing

We provide our employees with benefits and wellbeing offerings that provide care for financial, physical, emotional and social needs through a variety of programs—when and where our employees need it.

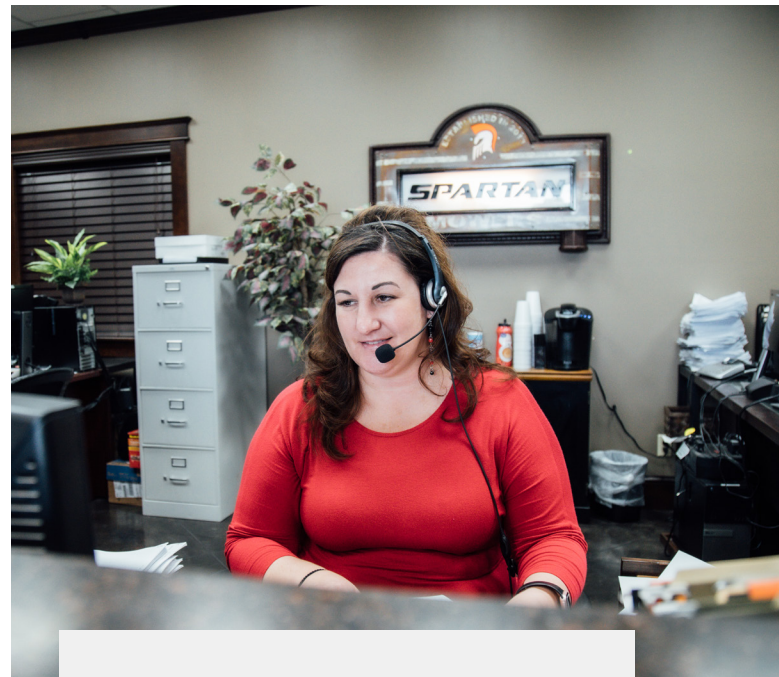
For our eligible U.S. employees, we offer medical, pharmacy and dental benefits, disability benefits and voluntary employee benefits. Employees enrolled in our medical plans have the opportunity to receive a tobacco-free premium credit. TTC offers many employee programs that promote health and wellbeing, including:

- Stretch and flex programs encourage movement into daily routines through videos, training and classes.
- Active release therapy options include chiropractic work in support of ergonomic health through manipulation and movement techniques to treat body pains and discomforts.
- Physician call-in service provides access 24 hours a day, 7 days a week, to licensed physicians via video or phone.
- Learn to Live provides online cognitive behavioral therapy.
- Omada Health provides pre-diabetic or pre-hypertension support.
- Livongo provides support and education for diabetes management.
- Musculoskeletal health support helps integrate exercise and movement into routines to minimize ergonomic health impacts and promote long-term muscle health.
- On-Site Nurses in four of TTC's manufacturing sites monitor employee health, safety and wellness on a daily basis.
- Calm is a mental wellbeing app available worldwide which includes meditation products, including breathing exercises, guided and unguided meditation exercises.
- Wellbeats is an app that provides on-demand fitness and wellbeing resources to employees.

- Sand Creek (an AllOne Health Company) provides assistance to employees, household members and dependents to reduce stress and improve mental health by connecting them to the right information, resources and referrals.

To help our employees' retirement readiness, we offer a 401(k) plan in the U.S. into which employees can contribute, and the company matches. Additionally, TTC may make a discretionary "profit-sharing" contribution into employee's retirement plan accounts. Through our retirement plan record keeper, we provide a variety of online tools and resources that employees can leverage to help with savings and retirement readiness. For employees outside of the U.S., we provide tools and resources that are market competitive and support financial wellbeing and education.

In the U.S., all eligible employees have time off offerings, including vacation, paid sick days, paid holidays and paid parental leave. We offer office employees at some of our U.S. locations a flexible, summer-hours schedule, providing for a longer workweek Monday through Thursday and a shorter workday on Friday.



**24/7**

**employee access to licensed physicians**

# GIVING AND COMMUNITY INVOLVEMENT

Core to our TTC values is our commitment to our people, and we believe in the importance of contributing to and engaging with the communities where our employees live and work. Our efforts reflect a dedication to action and engagement that enriches the lives, communities and industries we serve. Through employee volunteerism and donations, corporate giving and in-kind donations, we enhance and beautify outdoor spaces while also supporting the shared values of our partner communities and organizations.

The TTC Foundation Board oversees the enterprise Giving Program, which is comprised of four focus areas: Employees, Community, Industry and Land. Water. Thrive. Each focus area has a governing committee that oversees giving, volunteerism and other community involvement initiatives. The TTC Foundation Board and supporting committees meet regularly to discuss strategic giving priorities, areas of enhanced focus in our communities and activating employee volunteerism.

## The Toro Company Giving



### **EMPLOYEES**

Through nonprofit organizations and civic projects, our people engage and support individual areas of interest through financial giving and volunteerism.



### **COMMUNITY**

We leverage TTC equipment and financial support to provide resources to partner organizations that share our values and align with our strategic priorities.



### **INDUSTRY**

We support projects that educate and advance efforts in the industries we serve, including enhancing outdoor environments, conserving water and promoting active lifestyles.



### **LAND. WATER. THRIVE.**

We cultivate, conserve and restore outdoor environments across our global communities and assist smallholder farmers in developing countries to enhance productivity of the land and drive sustainable solutions to ensure a more food-secure future.





**7,710**  
volunteer hours logged in 2022

## Employee Giving

Employees are valued members of their local communities and demonstrate their support through volunteer efforts with local charitable and civic organizations to complete beautification, preservation, water conservation, community health and housing and youth enrichment projects. We seek to help employees make a meaningful impact on organizations that are important to them and, therefore, important to us. TTC provides up to 20 hours paid time off for eligible employees in the U.S. In addition, our Dollars for Doers program donates \$300 to qualifying nonprofit organizations where an employee volunteers at least 30 hours of personal time to that organization per year.

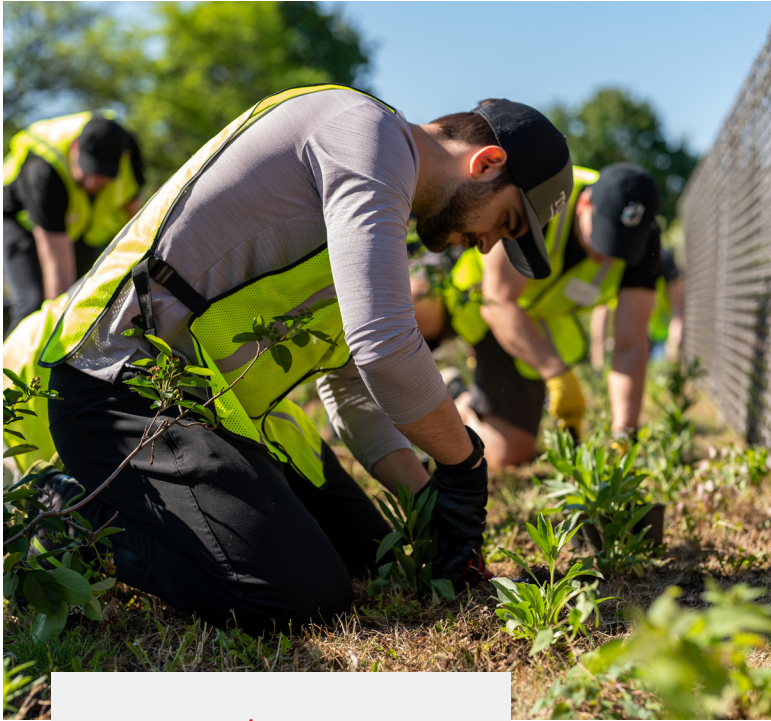
As geopolitical events arose in Ukraine over the past year, TTC employees came together to offer support. Employees in Poland supported refugees who crossed the border from Ukraine by providing shelter for several families and ongoing support of clothing, food and toiletries. We also implemented a Ukraine matching contribution program to which employees worldwide contributed. Through employee giving and our company match, we were able to provide support to hundreds of refugees.

## Community Giving

TTC develops long-lasting relationships where our employees live and work and collaborates with community organizations to leverage our resources and skills to create a lasting, positive impact. We aim to better every community we serve. Signature community programs include partnerships with local organizations such as the United Way (UW), skills-based volunteering, in-kind product donations and monetary donations.

### THE UNITED WAY

UW is uniquely positioned to understand the needs of the communities in which it operates and provide services that deliver the greatest impact. Because of this, we are proud that UW continues to be our largest annual global financial and employee engagement partnership. TTC is a "Million Dollar Partner," raising more than \$1 million through employee pledge donations and TTC Foundation matching contributions. We also support UW special events and provide volunteer time and leadership to partner communities.



**OVER \$1M**  
donated to United Way in 2022



## SKILLS-BASED VOLUNTEERISM

TTC employee volunteerism includes skills-based work that allows employees to use their specialized, product-related skills to improve outdoor environments and give back to communities. We also assist nonprofits with business planning through service on partner boards. Diverse skills-based volunteerism includes development and implementation of park, schools, sports fields and other green space improvements and installations. We also leverage our partnership with the Minnesota Twins and Minnesota United FC to use the skills of their Certified Sports Field Managers on projects that rebuild youth softball and baseball fields and soccer pitches.

## IN-KIND PRODUCT DONATIONS

We donate high-quality products to global nonprofit organizations to help them maintain facilities and reduce operating costs as they work to accomplish their missions. Product donations include outdoor equipment for workforce training programs, parks and veteran programs. Product donations also support our Industry Giving and Land. Water. Thrive.

## MONETARY GIVING

TTC provides monetary support to several organizations in the communities we serve. We continued the TTC Advancing Equitable Communities Grant program to support nonprofit organizations with equity-driven missions. We consider organizations for grants via employee nominations and determine grant recipients via employee voting. In 2022, three organizations received funding through this grant program, including a \$10,000 grant to the organization with the most votes.

## YOUTH ROBOTICS

TTC partners with several youth robotics organizations to provide financial support and mentorship. One beneficiary of TTC's robotics grants is the Longmont, Colorado, Up-A-Creek Robotics program, where TTC employees volunteer as mentors for the Up-A-Creek teams. We are proud of the FIRST® Tech Challenge Team 11260 and FIRST® Robotics Team 1619 for winning World Championships in both programs in 2022. We expanded our support of robotics teams and events by providing grants to additional teams nominated by TTC employees, as well as sponsoring FIRST® Robotics events in Colorado and Minnesota.





## Industry Giving

Our partnership approach rooted in a legacy of giving allows us to strengthen the industries we serve by leveraging the expertise and assets of TTC and our global business partners. Industry partnerships also allow us to innovate faster and play a more impactful role in supporting the communities and industries that help us thrive. We increase positive impacts and drive change by encouraging employees to get involved with industry organizations that align with their passions.

We have enduring relationships with a number of industry partners in our diverse end markets, including:

- **Golf:** First Tee, The R&A Foundation, GCSAA Foundation, World Golf Foundation, American Society of Golf Course Architects Foundation, ANNIKA Foundation, Golf Environment Organization, Masters Tournament Foundation
- **Sports Fields and Grounds:** SAFE Foundation; National Recreation and Park Association; City Parks Alliance, Oglebay Foundation
- **Irrigation:** Irrigation Association, Wyland Foundation
- **Professional Contractor:** Project Evergreen
- **Professional Contractor/Agriculture:** National FFA Foundation
- **Agriculture:** iDE
- **Rental:** American Rental Association Foundation
- **Construction:** Crew Collaborative

In 2022, TTC helped celebrate the 50th anniversary of the Park and Recreation Maintenance Management School, which is a partnership among the National Recreation and Park Association, the National Training Center at Oglebay and North Carolina State University. TTC is the sole sponsor of the Maintenance Management School as part of our commitment to supporting grounds personnel. TTC also provides scholarships to support the education of park and recreation professionals from communities with fewer financial resources.



**Toro's support of the 'Share My Passion' clinic series aims to encourage and engage young girls in the game of golf.**

## Land. Water. Thrive.

TTC's Land. Water. Thrive. initiative cultivates, conserves and restores global outdoor environments to improve the lives of local community members. Land. Water. Thrive., in partnership with iDE and Opportunity International, is an immersive experience that pairs TTC employees with farmers in developing countries to improve land productivity and agricultural water practices through use of TTC products and creative problem-solving to drive long-term change.

What started as an employee-led effort in 2017 to support smallholder farmers and greenspace projects flourished into one of our most unique global community outreach programs. Our goal is to positively impact the livelihoods of smallholder farmer families through employee support including sustainable financial solutions, water and land management training and sharing business management acumen.

**A framework for Land. Water. Thrive. guides our efforts in developing countries. This includes:**



**Sustain:** Partnerships with nonprofit organizations to provide financial solutions to small holder farmers that help ensure access to income-generating opportunities and technologies to support their growth from poverty to prosperity.



**Train:** Impactful water and land management training that leverages the knowledge and passion of TTC employees, working with nonprofits and smallholder farmers to collaboratively share knowledge about land and water management techniques that provide an environment to grow and thrive.



**Maintain:** Business management skill advancement cooperative work with nonprofits throughout the developing world to ensure Land. Water. Thrive. activities can continue in perpetuity by strengthening business management acumen among smallholder farmers.

In 2022, nine TTC employees from around the world, in partnership with iDE, brought their skills and expertise to Zambia for one week to address water challenges faced by local smallholder farmers. The group worked with farmers and local schools to educate students and farmers on the benefits of drip irrigation equipment to help the farmers increase their yields. TTC conducted product demonstrations and engaged with people in the community to understand their challenges as part of a human-centered design process. The employees helped farmers obtain life-changing technology to address water challenges.

Land. Water. Thrive. also maintains an annual Greenspace Enhancement Grant program. The program supports nonprofit organizations in TTC communities around the world to address greenspace inequities through the creation of beautiful and functional outdoor community spaces. The program focuses on enhancing community gardens, neighborhood and school grounds and community parks.







“I had the privilege of joining The Toro Company’s Land. Water. Thrive. trip to Zambia to visit our partner iDE, and the experience did not disappoint. While the promise of drip irrigation is immense, the trip also highlighted the importance of listening to stakeholders through the human-centered design process and developing sustainable models for farmers to obtain this life-changing technology. I am forever grateful for the opportunity to participate in this project, and proud to be part of a company invested in improving the lives of others around the world.”

**Denver Steiner, Ventrac, Orrville, Ohio**

TTC COMMUNITY	ORGANIZATION NAME	GREENSPACE ENHANCEMENT PROJECT DESCRIPTION
Ankeny, Iowa	Polk County Conservation Board	Yellow Banks Park Restoration, including planting oak trees and restoring of native prairie.
Plymouth, Wisconsin	Lemons of Love	Design a healing garden to enhance the beauty, productivity and sustainability of the land along the banks of the Mullet River; The healing garden creates a restorative space for those impacted by cancer to promote healing.
Pune, India	United Way of Mumbai	Increase forest cover in Pune city through planting 500 saplings.
Saint Paul, Minnesota	Trust for Public Land	Implemented the landscaping plan for the Midway Peace Park Project.
Tomah, Wisconsin	Handi Shop Industries	Install a raised garden bed that will be used as an enrichment aid in teaching the benefits of sustainable gardening, promoting a healthy lifestyle and exposing clients to activities to which they otherwise would not have access.
Windom, Minnesota	Windom Schools	Revitalize the Windom Environmental Learning Center; The project includes replacing the bridge, building a small dock, cleaning up brush and fallen trees, rebuilding the outdoor classroom and adding benches, picnic tables and lighting on the trails.



# PROCESS

Our process facilitates the delivery of the top-quality products our customers and partners have come to expect for over a century. Through continuous improvement, we execute operational excellence and resource efficiency in our integrated supply chain, reinforced by our enduring commitment to quality.





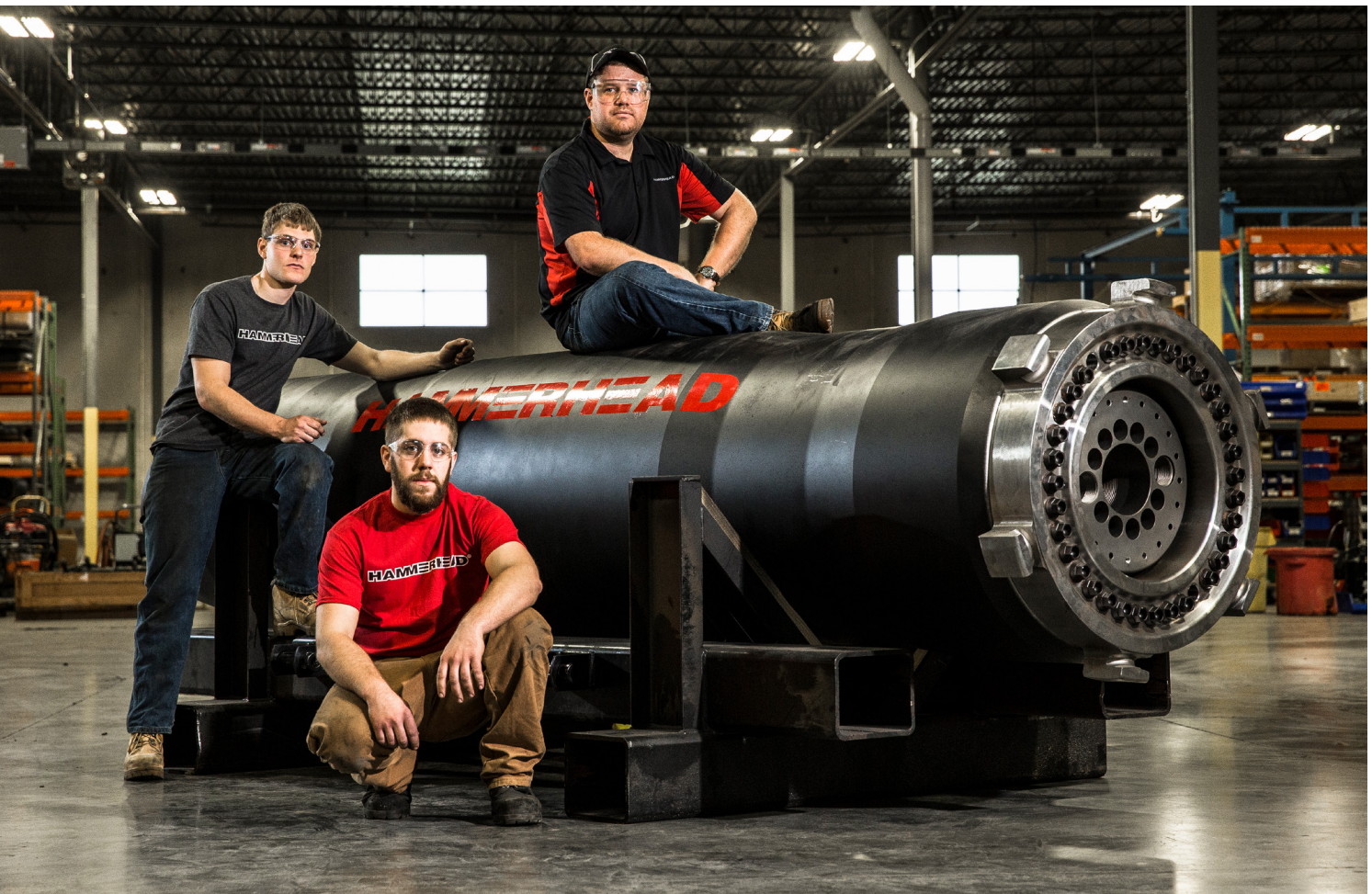
# **INTEGRATED SUPPLY CHAIN**

TTC's integrated supply chain organization emphasizes continuous improvement across our operations to minimize value chain disruption. We collaborate with vendors to create a more resilient supply chain and cultivate trust. We are committed to improving our procurement processes and implementing relevant global standards, including human rights standards, to enable consistent ESG expectations throughout our supply chain. Together, we work with our vendors to advance our sustainability strategy, from energy reduction to product safety.

To communicate and uphold our standards across our supply chain, we outline TTC's expectations in our [Supplier Manual](#) and [Supplier Terms of Commerce](#) (STOC). Our Supplier Manual conveys our commitment to quality and continuous improvement and provides an overview of the business processes and expectations of suppliers. We review our Supplier Manual as needed to update our expectations of our suppliers in alignment with industry best practices.

Our STOC details legal obligations and our expectations of our suppliers related to human rights, management systems, ethics, conflict minerals and labor practices and affirms TTC's commitment and adherence to all applicable regulations and international laws. All new TTC suppliers and service providers must sign and return the STOC prior to working with TTC, and they are also required to certify the inclusion of basic human rights in their operations. By signing our STOC, our suppliers agree to uphold and honor the commitment to comply with all applicable laws and regulations.

By clearly communicating our supplier expectations, our Supplier Manual and STOC help us create consistency and provide guidance to our suppliers to manufacture the highest-quality and lowest-impact products possible. We handle any instances of supplier non-compliance on a case-by-case basis. This allows us to review each situation and implement corrective actions to remedy concerns or determine if there is a need to conclude business relationships with a supplier.



To further strengthen the resiliency of our supply chain, we have developed a long-term integrated supply chain vision and strategy. We established baseline metrics to create a long-term supply chain roadmap and drive efforts forward. We launched a new Supplier Excellence Program in 2022, which classifies our suppliers using selected criteria, including cost, quality, delivery and ESG performance. Though we normally share best practices through our annual Supplier Summit workshops and panel discussions, we did not host a 2022 Supplier Summit due to the lingering implications of COVID-19. We plan to hold the Summit again in 2023.

## Materials Sourcing

TTC carefully manages the sourcing and use of components necessary for production to promote responsible sourcing practices. To manage our impact and resources in an ethical and responsible

manner, TTC sourcing agreements and supply chain management policies and procedures target the removal of restricted substances in products. We also query our supply chain regarding the presence of Substances of Very High Concern (SVHCs) under the EU REACH Regulation for all products placed on the EU market to meet EU regulatory requirements.

To acquire necessary components in a responsible manner, we embed responsible sourcing standards around conflict materials, fair labor practices and prohibition of child and forced labor in our STOC and standalone [Conflict Minerals Policy](#) and [Slavery and Human Trafficking Statement](#). We expect our suppliers to establish Conflict Minerals programs and policies consistent with the Organization for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.



# OPERATIONAL EFFICIENCY

The efficient operation of TTC's global facilities, service centers and distribution channels is critical to achieving both business and sustainability goals. Minimizing waste, reducing energy use and conserving water contribute to the maximization of resource use and reduction of manufacturing costs to balance our sustainability efforts with effective plant operations. To enhance operational efficiency across our enterprise, we leverage our lean enterprise system.

Applying a lean management approach, we monitor progress and identify opportunities for continuous improvement in our facilities. We leverage our Monitoring, Targeting and Reporting (MTR) program, TTC Daily Management System (DMS) and facility design to manage improvements across our operations.

## Monitoring, Targeting and Reporting

Our MTR program provides us with data tracking capabilities and monitoring of performance indicators to indicate data performance trends and provide insights into operational improvement areas. The system uses hardware to measure energy, water use and waste and dashboard systems to convey insights. As a result, we better understand our consumption patterns, allowing us to communicate implications with our sustainability teams. Additionally, monitoring and reporting these results help identify cost savings from process and equipment efficiency improvements. In 2022, we expanded MTR from North American manufacturing facilities to all global manufacturing facilities and established baseline metrics to guide our reduction strategies.

## Daily Management System

The TTC Daily Management System (DMS) is a module of our business management system that we leverage to share information, define roles and expectations, provide visuals for process performance and promote problem solving to support the management of daily work and monitor performance. Since the launch of our DMS Implementation Roadmap, website and Deployment Scorecard in 2021, our manufacturing plants have made significant progress in integrating our eight DMS components:

1. Operator Standardized Work defines how each employee does their job.
2. Visual Controls define where to look, through images and posters.
3. Visual Management provides relevant information at a glance.
4. Tiered Accountability links and shares information.
5. Layered Process Audits ensure key processes are reviewed periodically.
6. Gemba Walks ensure employees actively observe operations.
7. Problem-Solving formalizes approach to selecting resources and clearly understanding problems.
8. Leader Standard Work defines what needs to be done, where it is needed and when.

Throughout 2022, TTC continued to make our DMS system more robust, enabling our engineers to pinpoint issues and challenges to proactively intervene and perform maintenance work before issues turn into problems. DMS now provides more in-depth data for load-leveling and monitoring devices to review power consumption, help facilities free up resources, empower employees and simplify processes to promote innovation and growth. To continue the development of DMS, we are exploring options to aggregate this data at an enterprise level.

**MATERIAL TOPIC**

## Operational Energy Use, GHG Emissions and Climate Change

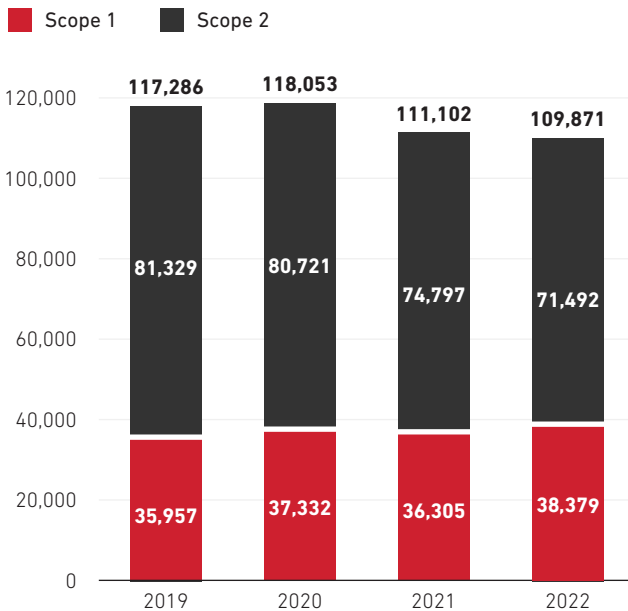
TTC's DMS and MTR systems help monitor our performance and adjust operations as we work towards our goal to reduce absolute Scope 1 and Scope 2 GHG emissions by at least 15% compared to fiscal year 2019 by 2025. From 2019 to 2022, we reduced our absolute Scope 1 and 2 GHG emissions by 6.3%.

In 2022, we expanded the integration of roofing replacements, energy-efficient process equipment and light-emitting diode (LED) lighting retrofits into more TTC

of our facilities. Most TTC facilities now incorporate LED lighting in some capacity, as we aim to continue transitioning our facilities to LED lighting throughout 2023. Converting facilities to LED lights has saved TTC operating costs and reducing GHG emissions.

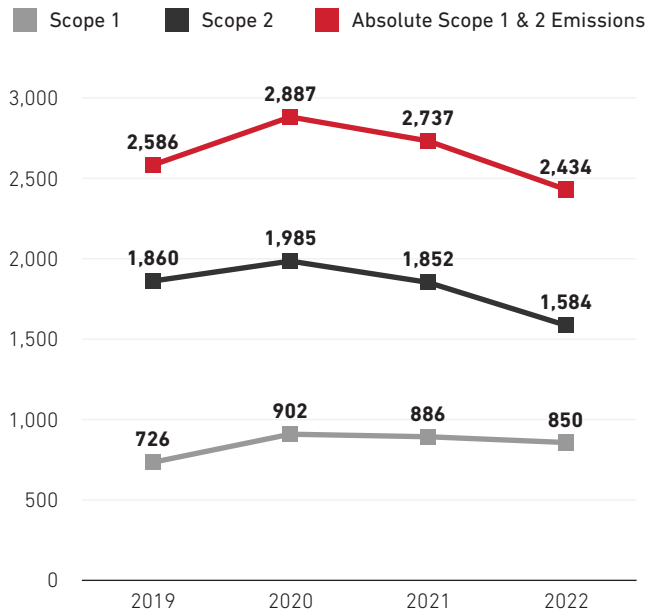
TTC largely uses purchased electricity to power our operations, and we are expanding electrification efforts to all indoor equipment, including our forklift fleet. We aim to shift all indoor equipment to battery-powered sources to enhance energy efficiency and reduce GHG emissions. Sub-meters installed at 15 locations help us monitor progress. We are exploring expanding the use of sub-meters to more TTC locations moving forward.

### Absolute Scope 1 and 2 Emissions (MT CO<sub>2</sub>e)<sup>[1][2]</sup>



**6.3%**  
decrease in Scope 1 and 2 emissions from 2019 to 2022.

### Scope 1 and 2 Emissions Intensity (kg CO<sub>2</sub>e per 100k sales)<sup>[1][2][3]</sup>



**5.9%**  
decrease in Scope 1 and 2 emissions intensity from 2019 to 2022.

[1] TTC Calculations include GHGs as applicable by variable per U.S. EPA for locations in the United States and per IEA for all other worldwide locations (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O).

[2] Data has been restated to include the Intimidator Group acquisition, correct an error that previously overstated natural gas at one of our plants and to include several locations that were not previously reported.

[1] TTC Calculations include GHGs as applicable by variable per U.S. EPA for locations in the United States and per IEA for all other worldwide locations (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O).

[2] Data includes a partial reporting cycle for locations acquired during this time.

[3] Data has been restated to correct an error that previously overstated natural gas at one of our plants and to include several locations that were not previously reported.



## ENERGY EFFICIENCY EXCELLENCE AWARD

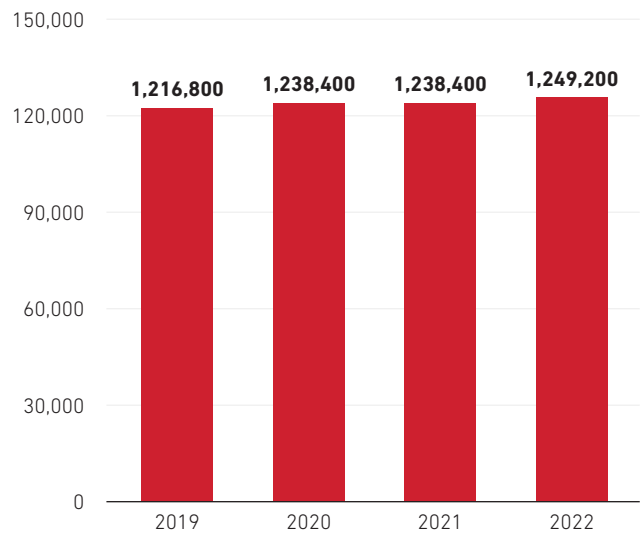
Our Tomah, Wisconsin, location won the [Focus on Energy](#)® 2022 Energy Efficiency Excellence Award. Through its 20-year partnership with Focus on Energy®, TTC has worked to advance the energy efficiency of our operating equipment and manufacturing processes to support Focus on Energy's commitment to eliminate energy waste in Wisconsin. In 2022, TTC launched two key projects to strengthen our commitment to energy efficiency. We enrolled in the Rural Industrial Striving for Efficiency Program to integrate automatic start-up/shut-down processes in our operations. For example, we installed new, Wi-Fi-connected thermostats to adjust building temperatures automatically over nights and weekends when employees are not present. We also created a heat map to monitor power usage to ensure employees powered off equipment when leaving the building. These projects resulted in total annual savings of over 120,000 kWh of energy and approximately 85 mt of CO<sub>2</sub>e greenhouse gas emissions.



TTC seeks to increase the share of its energy coming from renewable sources. In 2022, our locations in Beverley, Australia, and Fiano Romano, Italy, installed solar photovoltaic panels. Moving forward, we plan to assess our energy maturity in our facilities and draft a multi-year renewable energy sourcing strategy.

We completed an expansion at our Tomah, Wisconsin (United States), operations, improving the layout for our assembly and our new electrostatic dip painting and powder coating operation. Focus on Energy® granted us \$25,000 to install 40 variable frequency drives for our new paint system. Using the variable frequency drives, we estimate a total annual savings of about 150,000 kWh of energy. Since 2016, TTC's emphasis on energy efficiency at Tomah saves an estimated 4.5 million kWh, over 100 mt CO<sub>2</sub>e and \$385,000, annually. Read more about our energy use and emissions in the [Data Tables](#).

### Facility Energy Use (GJ)<sup>[1]</sup>



**2.7%**

**increase in facility energy use from 2019 to 2022.**

[1] Data has been restated to include the Intimidator Group acquisition, correct an error that previously overstated natural gas at one of our plants and to include several locations that were not previously reported.

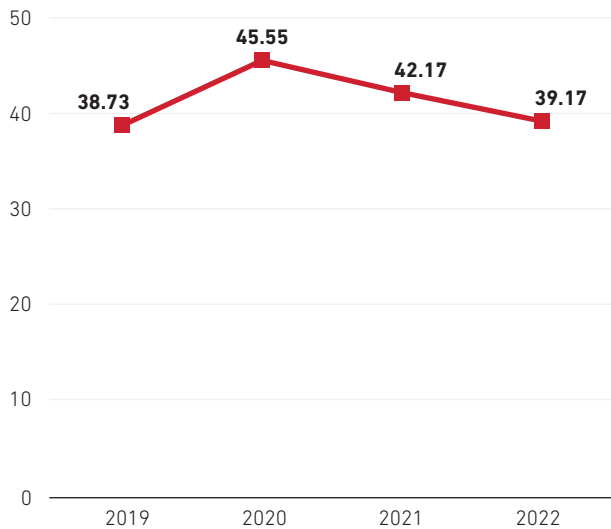
**\* MATERIAL TOPIC**

## Operational Water Use and Conservation

Water use and conservation is of the utmost importance to TTC. Water is not only a vital input to our manufacturing operations, but water conservation is a key priority for our stakeholders. We recognize that water availability is a growing concern worldwide, including in areas where TTC and its customers operate.

As a global company, we recognize the opportunity to support water-reduction efforts on a massive scale through our processes and product solutions. We leverage recycled water from water reclamation and treatment plants, where possible, to limit the intake of fresh water. We use our data management system to help us better understand water risks and opportunities to improve our water use efficiency and to identify locations to further develop water best practices in our facilities.

### Water Intensity (Mgal/\$B sales)<sup>[1][2]</sup>



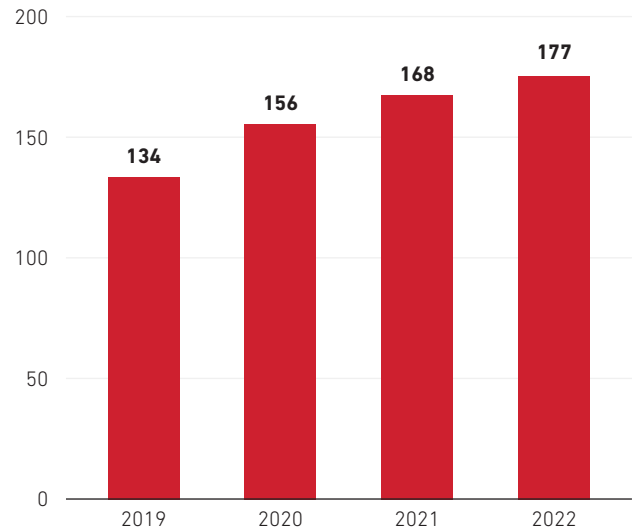
**8.5%**

**decrease in water intensity from 2019 to 2022.**

[1] Data includes water usage at most global locations. The remaining locations will be added in the future.

[2] Data includes a partial reporting cycle for locations acquired during this time.

### Water Consumption (Mgal)<sup>[1][2]</sup>



**31.6%**

**increase in water consumption from 2019 to 2022.**

[1] Data includes water usage at most global locations. The remaining locations will be added in the future.

[2] Data has been restated to include the Intimidator Group acquisition.



*Toro's Aqua-Traxx® drip irrigation for precision application in agriculture.*





## Operational Waste

Using our MTR system, we understand how and where we generate waste in some of our manufacturing processes. We can leverage this knowledge and our lean enterprise approach to minimize overall waste across our operations. This includes applying more circular processes to reduce the amount of waste sent to landfills and promoting responsible sourcing and resource usage. In 2022, our facilities continued to recycle resin moldings and packaging scraps (steel, aluminum, plastics, cardboard and paper) and compost food waste, where possible.

To support a more circular system, we implement reuse programs with our internal and external vendors across the United States.

## Sustainable Facilities

To complement our management systems, TTC implements sustainable design elements for existing and new buildings. For example, our manufacturing facility in Tomah, Wisconsin, received the 2022 Focus on Energy®'s Efficiency Excellence Award for its adoption of sustainable design and process upgrades. The Tomah manufacturing plant is ISO 14001 certified. Across our facilities, we focus on the following site-specific green building features where applicable:

- Water-saving upgrades
- Green roofs to reduce stormwater runoff, improve energy efficiency and enhance ambient air quality
- LED lighting and motion sensor controls for controlled energy efficiency within facilities
- Reuse of office furniture during building expansions and moves
- Integration of carpets and other materials manufactured from recycled goods
- Drinking water stations that encourage employees to fill reusable water bottles by counting the equivalent number of single-use plastic bottles avoided

# GOVERNANCE

Our commitment to ethics and integrity guides our actions and attracts employees who engage in purpose-driven work.







# **OUR APPROACH TO GOVERNANCE, ETHICS AND INTEGRITY**

We believe operating with transparency and honesty drives better business outcomes and allows us to establish long-lasting relationships with employees, customers and other stakeholders. We maintain high moral, ethical and legal standards by following both the letter and spirit of the law, advancing TTC's culture and working together to implement and uphold the company's legacy of excellence. One of our goals is to foster a culture of trust and respect for all stakeholders and create a productive, inclusive and thriving work environment for all TTC employees.

Our governance, ethics and integrity practices, as well as our strong Board and management accountability, promote long-term value for all TTC stakeholders. We are proud to have cultivated a culture in which employees choose to work with us and customers choose to do business with us.

## **Our Code of Conduct**

TTC is committed to fostering a workplace that values ethics and integrity and integrates those values into every decision we make. Our dedication to ethical decision-making is set forth in [The Toro Company Code of Conduct](#) (Code). The Code provides a framework for acting with integrity and serves as the foundation for our partnership with TTC stakeholders, including customers, suppliers, shareholders, communities, employees and others.

The Code outlines expectations for all employees and addresses areas such as anti-bribery, anti-corruption, workplace harassment, appropriate use of social media, health and safety, diversity and inclusion and protection of our assets. Employees are required to complete Code training annually, which is offered in several applicable languages.

Our Chairman and CEO and other enterprise leaders are responsible for enforcing the Code across the company. The Board reviews ethics-related reports annually and approves periodic updates to the Code.

## Ethics Helpline

Our Ethics Helpline is available 24 hours a day, seven days a week, for employees and other stakeholders to report concerns, misconduct or suspected violation of the Code. Reports can be made [online](#) through our confidential web-based reporting tool or over the telephone, and reporters may remain anonymous. We prohibit retaliation of any kind for raising concerns or submitting a report. To strengthen our ethics program, we review NAVEX Global's Risk & Compliance Incident Management Benchmark Report annually to ensure alignment with best practices for managing ethics concerns.



## Governance Structure

The TTC Board currently comprises of 11 members, 10 of which are independent. Richard M. Olson, our CEO, serves as our Chairman, and Gary L. Ellis serves as our Lead Independent Director. The Board periodically reviews and evaluates its internal leadership structure and Lead Independent Director responsibilities to ensure we are in the best position to serve our stakeholders.

The Board oversees and monitors important governance issues, including strategy, legal compliance, Code and enterprise risks. We regularly report progress on topics such as talent management, security and operations to the Board.

Director nominations consider skills, expertise, business knowledge, integrity, background, diversity and the needs of the company. Each director stands for election every three years. TTC aims to ensure that the Board reflects the diversity of our global stakeholders, including our customers, employees and the communities we serve, and considers a range of diversity attributes, including gender, racial and ethnic diversity. In March 2023, our Board of 11 individuals included three female and three ethnically diverse members.

Our Board-level committees include Audit, Finance, Compensation & Human Resources and Nominating & Governance. In 2021, we reevaluated our oversight structure for all Board committees and designated responsibility and accountability of ESG topics. As a result, all Board-level committees oversee part of our sustainability strategy.

We define Board-level involvement for sustainability issues as follows:

- [Audit Committee](#): Oversight of ESG disclosure control procedures to ensure accuracy and completeness of metrics prior to disclosure.
- [Compensation and Human Resources Committee](#): Oversight of social factors, such as human capital management, DEI and pay equity.
- [Finance Committee](#): Oversight of capital structure, including access to capital, and our investor relations program, including sustainability communications for investors.
- [Nominating and Governance Committee](#): Oversight of the sustainability program, environmental and governance factors and all other topics not covered by other committees.

In addition to our Board committees, TTC maintains programs that oversee and guide enterprise risk management (ERM) and sustainability efforts.

The ERM program brings together leaders from our businesses and our internal audit, information technology (IT) security, global treasury, risk management, integrated supply chain and legal functions. Our ERM program is responsible for managing a dynamic risk framework that evaluates TTC strategic risks and ERM alignment with strategy.



Established in fiscal 2019, our Sustainability Committee is a cross-functional, enterprise-wide committee led by the VP, Strategy, Corporate Development & Sustainability and our Senior Sustainability Manager. The Sustainability Committee supports TTC’s sustainability goals holistically by managing our four strategic pillars: Planning, People, Product and Process. The Sustainability Committee reports progress to the Enterprise Leadership Team, the Board and Board Committees, each as appropriate, regularly.

Together, the ERM program and our Sustainability Committee allow TTC to better monitor and mitigate both company-wide and sustainability-specific risks. The [Sustainability Focus and Commitments](#) section of this report provides more information about our Sustainability Committee.

## BOARD METRICS<sup>[1]</sup>



**60 YEARS**  
average age



**8 YEARS**  
average tenure



**27%**  
of directors who are  
racially/ethnically diverse



**27%**  
of directors who are women

[1] All board metrics are as of March 21, 2023.

## Cybersecurity and Data Privacy

TTC diligently manages and secures its operational, customer and product data to ensure the protection of TTC assets and customer privacy. We continue to improve our processes to facilitate the highest levels of security for our company and key stakeholders.

Our Security and Compliance Team and our IT group coordinate two cybersecurity functions: the Systems Applications and Products Security Team, which provides access to tools and information necessary for our employees to work, and our Information Security Team, which responds to cybersecurity events and enhances the protection of company, customer, supplier and other stakeholder information. In addition, our Board and the Audit Committee oversee cybersecurity risks, and our ERM team provides the Board with regular cybersecurity report-outs. Our ERM approach assesses risk against strategy, allowing TTC to determine responses. We define risk following NIST 800-53 standards and engage third parties regularly to test our security mechanisms.

All employees are engaged in the identification and management of cybersecurity. They complete mandatory cybersecurity training during onboarding and integration, in addition to annual cybersecurity training. In 2022, we instituted multifactor identification, significantly reducing the number of suspicious accounts. We also improved our processes to report phishing emails with new technology. We continue to conduct simulated phishing regularly and assign additional employee training as needed. Awareness training is also available online to all employees, and we continue to hold an annual Cybersecurity Awareness Month.

Our geographic footprint, respect for individual privacy rights and the nature of our business make data privacy an essential global priority. Our Privacy Policy outlines our privacy framework, and our Data Privacy program reflects our priorities, including regulatory compliance and maintaining robust policies and procedures to limit and protect the personal information we collect and process.

We provide employees with annual training and communication regarding privacy and data protection. In accordance with applicable data privacy laws, TTC only collects personal data for specified and legitimate purposes, and we ensure that data is securely processed and not stored for longer than necessary. We strive to adhere to all applicable local laws and regulations, including the EU General Data Protection Regulation. For more information, please see our [Privacy Policy](#).



# APPENDIX







## ***ABOUT THIS REPORT***

We are pleased to present TTC's third annual sustainability report, covering the 2022 fiscal year from November 1, 2021, through October 31, 2022. This report addresses TTC operations, our sustainability focus and commitments, our involvement within our communities, and our investment in our people.

This report is prepared in reference to the Sustainability Standards Accounting Board (SASB) Industrial Machinery and Goods Framework. Our Board of Directors (Board) reviews this report prior to publication. For questions or feedback on this report, please contact Public Relations at [pr@toro.com](mailto:pr@toro.com).

# DATA TABLES

## Product Metrics

PRODUCT METRICS	F19	F20	F21	F22
% Battery and hybrid product sales (% of adjusted net sales) <sup>[1]</sup>	4.7%	4.9%	6.5%	6.4%

[1] Excludes non-engine sales such as irrigation, BOSS® (excluding Snowrator), parts and corded electric products.

## People Metrics

BOARD DEMOGRAPHICS <sup>[1]</sup>	F21 REPORT	F22 REPORT
<b>Board of Directors Gender (#)</b>		
Male	8	8
Female	4	3
<b>Board of Directors Gender (%)</b>		
Male	66%	73%
Female	33%	27%
<b>Board of Directors Ethnicity/Race (%)</b>		
White	76%	73%
Hispanic/Latino	8%	9%
Asian	8%	9%
Black	8%	9%

[1] Demographics represent board composition at the time of the annual shareholder meeting in the year of report publication. Dates of these meetings were March 15, 2022, and March 21, 2023, respectively. Prior to the 2023 shareholder meeting, the TTC Board size was reduced due to a director retirement.



HEALTH AND SAFETY METRICS <sup>[1]</sup>	F18	F19	F20	F21	F22
Total Recordable Injury Rate (TRIR) <sup>[2]</sup>	1.78	2.16	1.98	2.16	1.78
Total Lost Working Days Rate (LWDR) <sup>[2]</sup>	0.68	0.68	0.73	0.92	0.56
Near Miss Frequency Rate (NMFR) <sup>[2][3]</sup>	7.99	8.27	12.35	8.88	8.39
Fatality rate <sup>[2]</sup>	0.00	0.00	0.01	0.00	0.01
Locations with zero recordable injuries (#)	19	35	33	38	35
Locations with zero recordable injuries (%)	50%	57%	56%	62%	57%
Percent of workers covered by an occupational health and safety management system (%)	100%	100%	100%	100%	100%

[1] Data includes both full-time and contract employees.

[2] Rates above are calculated as (statistic count x 200,000)/hours worked.

[3] Intimidator Group did not disclose Near Misses in F22.

WORKFORCE DEMOGRAPHICS	F21 <sup>[1]</sup>	F22
<b>Gender Breakdown: Global Office</b>		
Male	76%	75%
Female	24%	24%
Not disclosed	<1%	1%
<b>Gender Breakdown: Global Production</b>		
Male	69%	71%
Female	30%	28%
Not disclosed	<1%	1%
<b>Gender Breakdown: Total</b>		
Male	72%	72%
Female	28%	27%
Not disclosed	<1%	1%

[1] Historical workforce demographics data has been restated to include the Intimidator Group, which TTC acquired in January 2022.

WORKFORCE DEMOGRAPHICS	F21 <sup>[1]</sup>	F22
<b>Ethnicity/Race Breakdown: U.S. Office</b>		
White	88%	87%
Hispanic/Latino	4%	5%
Asian	3%	3%
Black	1%	1%
American Indian/Alaska Native	1%	1%
Pacific Islander	<1%	<1%
Two or more ethnicities/races	1%	1%
Declined to answer	2%	2%
Not disclosed	<1%	<1%
<b>Ethnicity/Race Breakdown: U.S. Production</b>		
White	73%	74%
Hispanic/Latino	15%	15%
Asian	4%	4%
Black	2%	2%
American Indian/Alaska Native	2%	2%
Pacific Islander	1%	1%
Two or more ethnicities/races	1%	1%
Declined to answer	1%	1%
Not disclosed	1%	<1%

[1] Historical workforce demographics data has been restated to include the Intimidator Group, which TTC acquired in January 2022.



WORKFORCE DEMOGRAPHICS	F21 <sup>[1]</sup>	F22
<b>Ethnicity/Race Breakdown: Total U.S.</b>		
White	78%	79%
Hispanic/Latino	11%	11%
Asian	4%	4%
Black	2%	2%
American Indian/Alaska Native	2%	2%
Pacific Islander	<1%	<1%
Two or more ethnicities/races	1%	1%
Declined to answer	1%	1%
Not disclosed	1%	<1%

[1] Historical workforce demographics data has been restated to include the Intimidator Group, which TTC acquired in January 2022.

GENDER BY MANAGEMENT LEVEL	F21 <sup>[1]</sup>	F22
<b>Individual Contributor</b>		
Male	71%	72%
Female	29%	27%
Not disclosed	< 1%	1%
<b>Supervisor</b>		
Male	81%	81%
Female	19%	18%
Not disclosed	< 1%	1%

[1] Historical workforce demographics data has been restated to include the Intimidator Group, which TTC acquired in January 2022.

<b>GENDER BY MANAGEMENT LEVEL</b>	<b>F21<sup>[1]</sup></b>	<b>F22</b>
<b>Manager</b>		
Male	79%	78%
Female	21%	21%
Not disclosed	<1%	1%
<b>Senior Manager</b>		
Male	77%	81%
Female	22%	18%
Not disclosed	1%	1%
<b>Director/Senior Director</b>		
Male	85%	85%
Female	15%	15%
<b>Managing Director</b>		
Male	69%	77%
Female	31%	23%
<b>Senior Managing Director/General Manager</b>		
Male	91%	92%
Female	9%	8%
<b>Executives (VPs, Group VPs, CFP, CEO)</b>		
Male	75%	75%
Female	25%	25%

[1] Historical workforce demographics data has been restated to include the Intimidator Group, which TTC acquired in January 2022.



ETHNICITY/RACE BY U.S. MANAGEMENT LEVEL	F21 <sup>[1]</sup>	F22
<b>Individual Contributor</b>		
White	77%	78%
Hispanic/Latino	11%	12%
Asian	4%	4%
Black	2%	2%
American Indian/Alaska Native	2%	2%
Pacific Islander	1%	1%
Two or more ethnicities/races	1%	1%
Declined to answer	2%	1%
<b>Supervisor</b>		
White	88%	88%
Hispanic/Latino	7%	8%
Asian	0%	<1%
Black	2%	2%
American Indian/Alaska Native	<1%	<1%
Two or more ethnicities/races	0%	<1%
Declined to answer	2%	2%
<b>Manager</b>		
White	89%	87%
Hispanic/Latino	6%	7%
Asian	2%	3%
American Indian/Alaska Native	1%	1%
Two or more ethnicities/races	<1%	1%
Declined to answer	2%	2%

[1] Historical workforce demographics data has been restated to include the Intimidator Group, which TTC acquired in January 2022.

ETHNICITY/RACE BY U.S. MANAGEMENT LEVEL	F21 <sup>[1]</sup>	F22
<b>Senior Manager</b>		
White	91%	89%
Hispanic/Latino	1%	3%
Asian	3%	2%
Black	2%	2%
American Indian/Alaska Native	0%	1%
Two or more ethnicities/races	0%	1%
Declined to answer	3%	2%
<b>Director/Senior Director</b>		
White	89%	88%
Hispanic/Latino	4%	4%
Asian	2%	2%
Black	1%	1%
American Indian/Alaska Native	3%	2%
Two or more ethnicities/races	1%	1%
<b>Managing Director</b>		
White	92%	91%
Hispanic/Latino	8%	9%
<b>Senior Managing Director/General Manager</b>		
White	100%	100%
<b>Executives (VPs, Group VPs, CFP, CEO)</b>		
White	100%	94%
Black	0%	6%

[1] Historical workforce demographics data has been restated to include the Intimidator Group, which TTC acquired in January 2022.



EDUCATION REIMBURSEMENT PROGRAM	F19	F20	F21	F22
Education reimbursement recipients (#)	89	75	72	64

GIVING AT THE TORO COMPANY		F20	F21	F22
Matching gifts		\$59,513	\$89,501	\$125,028
Individual Heroic Effort Program—total matching (\$)		\$9,370	\$19,923	\$10,816
Dollars for Doers Program—number of nonprofits supported (#)		29	22	29
Dollars for Doers Program—total amount donated (\$)		\$9,000	\$6,900	\$11,700
Total hours volunteered (#) <sup>[1][2]</sup>		2,961	4,698	7,710
Habitat for Humanity—number of volunteer hours		201	350	617
United Way—amount donated	Company match	\$554,004	\$578,459	\$675,931
	Total raised	\$1,192,180	\$1,150,000	\$1,077,327

[1] Total hours are based on hours logged by employees and does not represent the total engagement of our global employee base.

[2] Total hours volunteered for F20 and F21 were impacted by COVID-19.

## Process Metrics<sup>[1][2]</sup>

PROCESS METRICS	F19	F20	F21	F22
Total facility energy use (GJ)	1,216,800	1,238,400	1,238,400	1,249,200
North America facility energy use	1,144,800	1,162,800	1,162,800	1,173,600
EMEA facility energy use	57,600	61,200	61,200	57,600
APAC facility energy use	14,400	14,400	14,400	14,400
% Renewable electricity	0%	0%	0%	0%
% Grid electricity	100%	100%	100%	100%
Total scope 1 GHG emissions (MT CO <sub>2</sub> e)	35,957	37,332	36,305	38,379
North America scope 1 GHG emissions (MT CO <sub>2</sub> e)	34,950	36,241	35,201	37,240
EMEA scope 1 GHG emissions (MT CO <sub>2</sub> e)	985	1,065	1,080	1,120
APAC scope 1 GHG emissions (MT CO <sub>2</sub> e)	22	26	24	19
Total scope 2 GHG emissions (MT CO <sub>2</sub> e)	81,329	80,721	74,797	71,492
North America scope 2 GHG emissions (MT CO <sub>2</sub> e)	74,694	74,448	68,824	65,753
EMEA scope 2 GHG emissions (MT CO <sub>2</sub> e)	3,696	3,527	3,293	3,028
APAC scope 2 GHG emissions (MT CO <sub>2</sub> e)	2,939	2,746	2,680	2,711
Total scope 1 and 2 GHG emissions (MT CO <sub>2</sub> e)	117,286	118,053	111,102	109,871
North America scope 1 and 2 GHG emissions (MT CO <sub>2</sub> e)	109,644	110,689	104,025	102,993
EMEA scope 1 and 2 GHG emissions (MT CO <sub>2</sub> e)	4,681	4,592	4,373	4,148
APAC scope 1 and 2 GHG emissions (MT CO <sub>2</sub> e)	2,961	2,772	2,704	2,730

[1] Process data has been restated to include the Intimidator Group acquisition, correct an error that previously overstated natural gas at one of our plants and to include several locations that were not previously reported.

[2] TTC Emissions Calculations include GHGs as applicable by variable per U.S. EPA for locations in the United States and per IEA for all other worldwide locations (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O).



PROCESS METRICS	F19	F20	F21	F22
Scope 1 GHG emissions intensity (kg CO <sub>2</sub> e per \$100K sales) <sup>[3]</sup>	726	902	886	850
Scope 2 GHG emissions intensity (kg CO <sub>2</sub> e per \$100K sales) <sup>[3]</sup>	1,860	1,985	1,852	1,584
Total scope 1 and 2 GHG emissions intensity (kg CO <sub>2</sub> e per \$100K sales) <sup>[3]</sup>	2,586	2,887	2,737	2,434
Water consumption <sup>[4]</sup>	134	156	168	177
North America water consumption (Mgal) <sup>[4]</sup>	125	145	157	160
EMEA water consumption (Mgal) <sup>[4]</sup>	7	9	9	15
APAC water consumption (Mgal) <sup>[4]</sup>	2	2	2	2
Water intensity (Mgal/\$B sales) <sup>[3][4]</sup>	39	46	42	39
Facility energy use intensity (GJ per 100k sales) <sup>[3]</sup>	33	35	30	28

[3] Data includes a partial reporting cycle for locations acquired during this time.

[4] Data includes water usage at almost all global locations. The remaining locations will be added in the future.

# SASB INDEX: INDUSTRIAL MACHINERY AND GOODS

CODE	ACCOUNTING METRICS	LOCATION OR DIRECT ANSWER
<b>Energy Management</b>		
RT-IG-130a.1	(1) Total energy consumed	<a href="#">Data Tables / Process Metrics</a>
	(2) Percentage grid electricity	<a href="#">Data Tables / Process Metrics</a>
	(3) Percentage renewable	<a href="#">Data Tables / Process Metrics</a>
<b>Employee Health and Safety</b>		
RT-IG-320a.1	(1) Total Recordable Incident Rate (TRIR)	<a href="#">Data Tables / People Metrics</a>
	(2) Fatality rate	<a href="#">Data Tables / People Metrics</a>
	(3) Near Miss Frequency Rate (NMFR)	<a href="#">Data Tables / People Metrics</a>
<b>Fuel Economy and Emissions in Use-Phase</b>		
RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Omission: TTC does not currently measure this metric but plans to in the future.
RT-IG-410a.2	Sales-weighted fuel efficiency for stationary generators	Omission: TTC does not currently measure this metric but plans to in the future.
RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Omission: TTC does not currently measure this metric but plans to in the future.



CODE	ACCOUNTING METRICS	LOCATION OR DIRECT ANSWER
RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NO <sub>x</sub> )	Omission: TTC does not currently measure this metric but plans to in the future.
	(2) Particulate matter (PM)	Omission: TTC does not currently measure this metric but plans to in the future.
	(a) Marine diesel engines	Omission: TTC does not produce or use marine engines.
	(b) Locomotive diesel engines	Omission: TTC does not produce or use locomotive engines.
	(c) On-road medium- and heavy-duty engines	Omission: TTC does not produce or use on-road engines.
	(d) Other non-road diesel engines	Omission: TTC does not currently measure this metric but plans to do so in the future. TTC works with its engine suppliers to use engines that comply with the applicable worldwide exhaust and evaporative emission standards set by the U.S. EPA, California Air Resources Board (CARB), the EU and other authorities that regulate non-road mobile machinery emissions in the markets in which we sell our engine-powered products. Compliance with these emission standards has allowed us to significantly reduce particulate matter (PM), particle number (PN), nitrogen oxide (NO <sub>x</sub> ), hydrocarbon (HC), carbon monoxide (CO) and evaporative emissions from our engine-powered products.

### Materials Sourcing

RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	<p>TTC manages corporate risks associated with critical materials via the following policies and statements:</p> <ul style="list-style-type: none"> <li>▪ <a href="#">The Toro Company Conflict Minerals Policy</a></li> <li>▪ <a href="#">The Toro Company Supplier Manual, Section 1.4 Supplier Terms of Commerce</a></li> </ul>
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### Remanufacturing Design and Services

RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	—
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### Activity Metric

RT-IG-000.A	Number of units produced by product category	Omission: Number of units includes proprietary information TTC does not disclose.
RT-IG-000.B	Number of employees	<a href="#">About TTC / TTC at a Glance</a>



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