

The TORO logo is a red rounded rectangle with the word "TORO" in white, bold, sans-serif capital letters.A wide-angle photograph of a golf course at sunset. The sky is filled with dramatic, golden clouds. In the foreground, a golfer in a blue shirt and khaki pants is walking on a green, pushing a golf bag on a pull cart. A red and white striped flag is visible on the green. In the middle ground, a red Toro riding mower is working on a green. Further back, another riding mower is visible near a sand trap. The background shows a line of trees under the sunset sky.

ENDURING INNOVATING EMPOWERING

THE TORO COMPANY
CORPORATE SUSTAINABILITY REPORT
FISCAL 2021

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LETTER FROM OUR CHAIRMAN AND CEO



At The Toro Company (TTC), sustainability is engrained in our purpose, our actions and our approach to doing business. It starts with a genuine desire to help our customers solve their most important challenges in a sustainable way and extends to improving the rapidly changing world we live in. Not only is sustainability at the heart of how we innovate and develop new products and technologies, it also influences daily operations including the way we invest in our people, the way we compete and win in the right way and it is also displayed in our dedication to serving customers and giving back to global communities.

Since our last sustainability report, we have grown significantly as an organization and successfully navigated one of the most challenging environments of our time. The COVID-19 pandemic presented the need and priority of keeping our teams and communities safe, while supporting customers' needs around the globe. We took necessary precautions, established safety protocols and provided critical resources to our employees and communities. These efforts were led by our COVID-19 Task Force, comprised of company leaders with diverse expertise and knowledge, and enabled the organization to take appropriate and timely action as the pandemic evolved.

Internal campaigns like *Together We Can Do More* provided opportunities for employees to support COVID-19 efforts and organizations in ways meaningful to them. The Toro Company Foundation matched employee contributions to nonprofit organizations of their choice in support of relief efforts. The Foundation also committed \$500,000 to assist families and communities affected by the pandemic through a variety of trusted organizations where our employees live and work worldwide.

Thanks to the unwavering dedication and resilience of our teams, we were able to work together safely to provide cutting-edge solutions and services to our customers while strengthening valued stakeholder relationships.

In 2021, we were pleased to announce that Blake Grams will now serve as our Vice President of Sustainability, Business Analytics and Process Improvement (VP of Sustainability) reporting to me. Blake's tenure, experience and deep understanding of our business position him well for this newly created role. This move further signals our commitment to accelerating change and delivering measurable results for our stakeholders.

Through Blake's leadership and the exceptional work delivered through our sustainability pillars—*Planning, People, Product and Process*—we have established performance goals which will help us drive change in a meaningful way. Those goals include:

- 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.
- 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 emissions by at least 15% by fiscal 2025 as compared to fiscal 2019.

We are also aligning with specific United Nations Sustainable Development Goals, as outlined in our report, to direct our strategic actions to achieve the greatest impact. At TTC, we are committed to addressing these global challenges by developing viable, long-term solutions for the future.



Toro® Greensmaster® e1021 all-electric walk greensmower

Our commitment is evidenced by our advancements in battery and hybrid technology, which help customers reduce or eliminate exhaust emissions while also increasing productivity. Our new offerings in both commercial and homeowner solutions deliver the same durability and dependability as gas counterparts. As our portfolio expands to also include autonomous and smart-connected technologies, we remain well-positioned to offer innovative solutions our customers have come to expect and trust.

Fostering a culture of safety and operational excellence remain key strategic priorities areas for the organization. We have taken a number of steps to improve our reported safety metrics but acknowledge there is more work to do. We have invested resources to enhance our safety and wellness programs with a renewed focus on advancing continuous improvement initiatives across our manufacturing operations. It all starts with our people. We believe a more diverse workforce not only brings new perspectives and strong connections, but also channels creativity and collaboration in a meaningful way.

Sustainability is at the core of our purpose and culture. We are building on the foundation we created to meet the demands of our stakeholders, while pushing ourselves to achieve even greater things in the future. The creativity, passion and dedication of our talented teams around the world fuel our competitive advantage in the markets we serve and lend a compassionate hand to the communities we support.

We have established a roadmap to achieve our stated sustainability goals in support of our strategic priorities—accelerating profitable growth, achieving operational excellence and empowering our people. We are excited to share our progress and the achievements that got us here today as well as future aspirations in our sustainability journey. Together we seek to advance social, environmental and performance achievements because at The Toro Company, sustainability endures.

Sincerely,

RICHARD M. OLSON
Chairman and Chief Executive Officer





ABOUT THE TORO COMPANY

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

TTC AT A GLANCE

Sustainability is the foundation of our strategic priorities, and we are committed to our purpose of helping our customers enrich the beauty, productivity and sustainability of the land with TTC products and solutions. Our longstanding commitment to quality, innovation and relationships is key to our market success. We are dedicated to developing new products and improving the performance, efficiency and sustainability of our existing product portfolio. We serve customers in more than 125 countries worldwide, generating \$3.96 billion in net sales in fiscal 2021.



1914
founded



~11,000
employees worldwide



\$3.96 billion
fiscal 2021 net sales



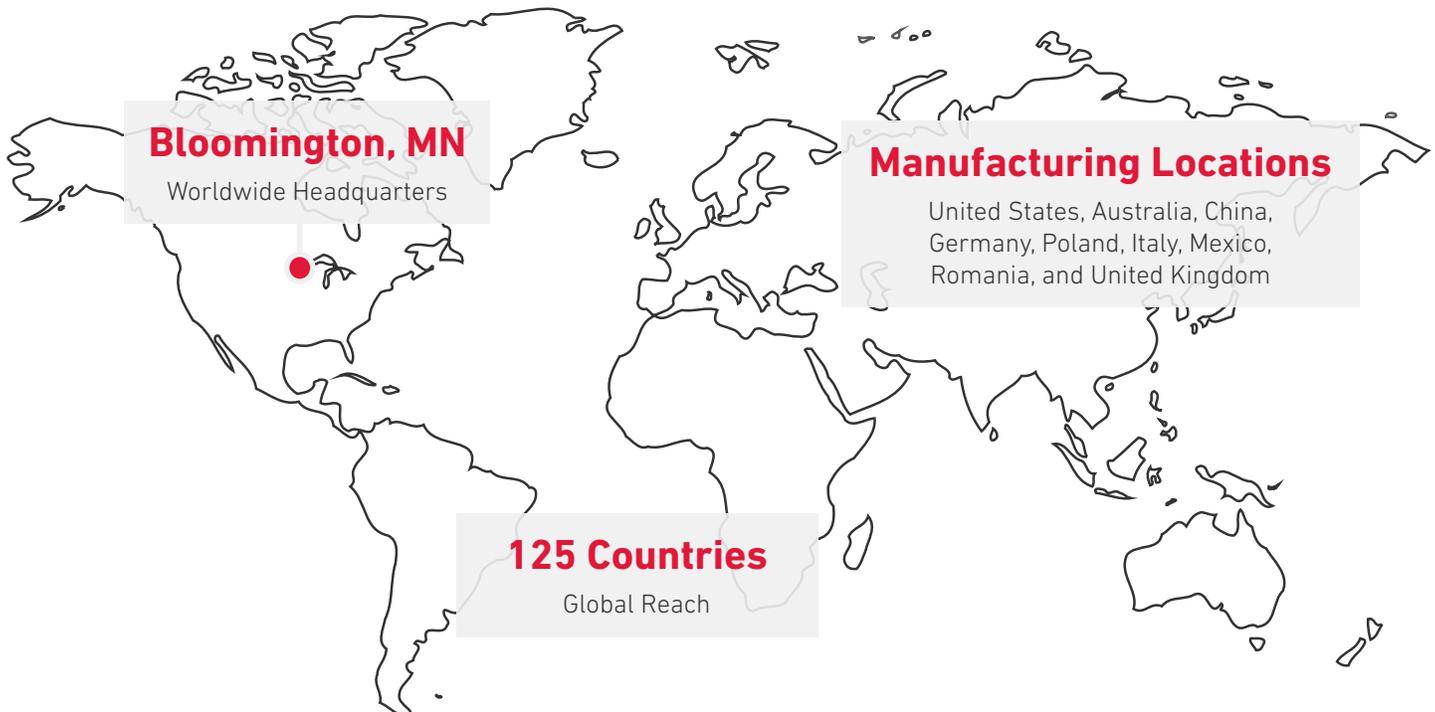
FISCAL 2021
GEOGRAPHIC NET SALES

79% U.S.
21% International



FISCAL 2021
PRODUCT NET SALES

89% Equipment
11% Irrigation



OUR GUIDING PRINCIPLES

Our success is deeply rooted in caring relationships built on trust and integrity. These relationships are the foundation of our market leadership in innovation and solutions that make outdoor environments beautiful, productive and sustainable. We are entrusted to strengthen this legacy of excellence.

We work each day to build on our legacy of innovation with high-quality, customer-focused products and services. We are committed to fostering a meaningful and enriching culture and engaging employee experience. Our diverse workforce and commitment to employee wellness and environmental stewardship create a sense of community, allowing employees to take pride in their jobs and live the TTC values.

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.

OUR BRANDS AND PRODUCTS

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.

Our Brands

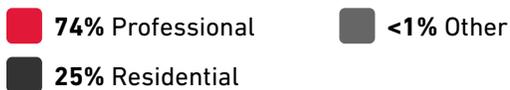




Toro® Power Clear® 60V battery snow blower

OUR CUSTOMERS

FISCAL 2021 REVENUE BY SEGMENT



Professional

We support professional customers responsible for the development and maintenance of outdoor landscapes with innovative, quality products and exceptional customer service. Professional customers include those who maintain and care for turf; work on residential and commercial landscapes; remove, install and repair underground pipes and utilities; manage snow and ice; irrigate turf and agricultural crops; work on construction and demolition jobs; and create, renovate and illuminate landscapes. Our products help customers meet the demands of their job while providing the power, productivity and precision results they desire with advancements in technology to further improve environmental and operational benefits.

Residential

We support homeowners in the beautification and maintenance of their outdoor environments year-round with a full suite of products from zero-turn riding mowers, walk-power mowers and snow blowers to yard tools and irrigation solutions. We design TTC residential products to make jobs easier and instill a sense of homeowner pride that comes from a beautiful yard and a job well done. Our products help turn outdoor work into an efficient, effortless, smart and seamless experience with each passing season.

OUR RESPONSE TO COVID-19

The health and safety of TTC employees, customers and communities is our top priority. In fiscal 2021, we took several steps to mitigate the impact of the continuing global COVID-19 pandemic, through the work of our COVID-19 Task Force composed of key TTC leaders responsible for monitoring the evolution of the pandemic and implementing safety and wellness protocols across our locations. The Task Force updated enterprise leaders and the Board of Directors (Board) on a regular basis.

To safeguard employees, we adopted temporary work-from-home scenarios where possible and enhanced technical capabilities globally to keep our teams connected. For essential front-line and production workers who were not able to work from home, carefully planned safety precautions took precedence.

To protect the health and safety of our essential workers, we responded by implementing U.S. Centers for Disease Control and Prevention (CDC) and other applicable international agencies' recommendations and safety recommendations and safety precautions across our manufacturing and office locations.

To support essential workers in distribution and manufacturing operations, we implemented the following safety measures:

- Provided personal protective equipment (PPE) including face coverings and protective barriers
- Adapted workspaces with plexiglass barriers and mobile work stations to promote social distancing and sanitation
- Enhanced cleaning and sanitation efforts in accordance with CDC and other recommendations
- Installed medical-grade HVAC filters and increased outside air exchange volume
- Developed COVID-19 response plans for deep cleaning, quarantining and contact tracing
- Limited non-essential visits within our facilities
- Launched the *So We Can* campaign to educate employees and encourage COVID-19 vaccines
- Organized onsite vaccination clinics at our facilities
- Transitioned to virtual meetings, training and events





HIGHLIGHT

SO WE CAN CAMPAIGN

As part of our response to the COVID-19 pandemic, we created the *So We Can* campaign to educate, create awareness around and encourage TTC employees to get a COVID-19 vaccination. Our *So We Can* mantra invited employees to share *So We Can* stories reflecting aspects of life impacted by the pandemic. Recognized for its success by the Minnesota Department of Employment and Economic Development, our campaign supported TTC employees to return to work safely and resume many activities disrupted by the pandemic.

To ensure the safety of our employees in and out of the workplace and to keep them informed as new information became available, TTC prioritized frequent and timely COVID-19 communications across the enterprise. At the start of the pandemic, our enterprise leaders and COVID-19 Task Force met virtually on a daily basis to monitor global and local changes, review guidelines and recommendations related to COVID-19 and provide updates to all employees. Employees received regular messages via email and video, with quarterly all-employee Team Talks complementing the other communications.

In June 2021, we brought employees who had been working from home back into the office on a flexible basis, as global conditions allowed. TTC continues to monitor and adapt safety protocols in alignment with recommendations from health officials and best practices. We are impressed by the resilience of our employees and will continue to support and safeguard the health and wellness of the entire TTC family.

Together We Can Do More

In support of our customers and communities during COVID-19, in fiscal 2020, TTC gave \$500,000 to assist families and communities worldwide impacted by the pandemic.

Grant funding from The Toro Company Foundation provided food, health and humanitarian assistance and contributed to global nonprofits in communities where TTC employees live and work. Nonprofit support organizations included the American Red Cross and the International Committee of the Red Cross, Feeding America, the World Food Program, the United Way Worldwide and local United Way organizations. In addition, TTC matched employee financial contributions to COVID-19 relief organizations.



HIGHLIGHT

STATE OF MINNESOTA COLLABORATION

In March 2020, as COVID-19 infections spread worldwide, PPE for Minnesota health care workers including N95 face masks, hand sanitizer, face shields, surgical gowns, latex gloves, ventilators and respirators became critical. To address state needs, Minnesota Governor Tim Walz commissioned a panel—the Critical Care Supply Working Group—to assist in procuring safety supplies for the state medical system.

With leadership from the Minnesota Business Partnership, eight corporate partners including TTC committed to lending staff, resources and supply contacts to procure supplies for state hospitals.

The expertise from the Critical Care Supply Working Group identified new suppliers, opened supply chains, navigated U.S. Customs and international regulations, identified fraudulent suppliers and products and developed a web-based tool to track inventory levels and the health of local workforces. Over the course of nearly 60 days, the working group was able to build a supply chain that provided hundreds of millions of pieces of PPE for Minnesota. TTC is proud to have supported our communities in this way during such an unprecedented time.

COVID-19 Relief



The Toro Company gave financial support to Feeding America and the World Food Program
Generous and Talented Employees provided food to local food shelves and plant and expanded personal gardens to help others



The Toro Company provided PPE to frontline healthcare workers and financial support to the Red Cross
Generous and Talented Employees encouraged to donate blood and sew face masks



The Toro Company supported the United Way Worldwide and member networks where employees live and work
Generous and Talented Employees helped through virtual volunteer opportunities that support nonprofit partners and neighbors



The Toro Company matched employee donations made to COVID-19 Relief efforts
Generous and Talented Employees contributed to any organization assisting in COVID-19 Relief efforts

OUR GOVERNANCE

Our Approach to Governance, Ethics and Integrity

Since our beginning, our commitment to ethics and integrity has guided our actions. TTC is dedicated to business transparency, and integrity is a guiding principle in all that we do. Together, our ethics and integrity inspire TTC employees to win the right way.

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

Our governance, ethics and integrity practices promote long-term value for all TTC stakeholders as well as strong Board and management accountability. We believe focused commitments create a culture in which employees do the right thing and customers choose to do business with us.

Our Code of Conduct

[The Toro Company Code of Conduct](#) (Code) guides our ethical decision-making. The Code provides a framework for our actions and is the foundation for our partnership with TTC stakeholders—customers, suppliers, shareholders, communities, employees and others.

The Code outlines expectations for all employees and covers areas such as caring for our people, protecting our assets and guiding ethical behavior. Our Chairman and CEO and other enterprise leaders are responsible for emphasizing the importance of the Code of Conduct across the company. The Board reviews ethics-related reports annually and approves periodic updates to the Code. Annual Code training is required for all employees across our worldwide locations and is available in several languages. Recent training topics have included workplace harassment, social media, electronic communications and anti-corruption.

An Ethics Helpline is available 24 hours a day, seven days a week for reporting any concerns, misconduct or suspected violation of the Code without the fear of retaliation. Reports can be made online or over the telephone, and reporters may remain anonymous if they choose. To strengthen our ethics program, we review NAVEX Global's Risk & Compliance Incident Management Benchmark Report annually to identify additional best practices for the management of ethics concerns. We do not tolerate retaliation of any kind for raising concerns or making a report in good faith.

Governance Structure

The TTC Board of Directors is a 12-member board with 11 independent members. Richard M. Olson, our CEO, serves as our Chairman, and Gary L. Ellis serves as our Lead Independent Director. To serve our shareholders and other stakeholders, the Board periodically reviews and evaluates its internal leadership structure and Lead Independent Director responsibilities.

The Board oversees and monitors important governance issues including strategy, legal compliance, Code of Conduct and enterprise risks. Director nominations consider skills, expertise, business knowledge, integrity, background, diversity and the needs of the company. Each independent 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. As of March 15, 2022, our Board includes four female and three ethnically diverse Board members.

Our Board-level committees include [Audit](#), [Finance](#), [Compensation and Human Resources](#) and [Nominating and Governance](#). In fiscal 2021, we reevaluated our oversight structure for all Board committees and designated responsibility and accountability of environmental, social and governance (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.
- **Finance Committee:** Oversight of capital structure, including access to capital, and our investor relations program, including sustainability communications for investors.
- **Compensation and Human Resources Committee:** Oversight of social factors, such as human capital management (HCM), diversity, equity and inclusion (DEI) and pay equity.
- **Nominating and Governance Committee:** Oversight of the environmental and governance factors and all other topics not covered by other committees.

In addition to our Board committees, TTC established two steering committees to oversee and guide enterprise risk management (ERM) and sustainability efforts.

The ERM Steering Committee includes leaders from our businesses and our internal audit, IT security, global treasury, risk management, operations and legal functions. Our ERM Steering Committee is responsible for 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 of Sustainability and our Senior Sustainability Manager. The committee supports TTC sustainability goals holistically by managing our strategic pillars—Planning, People, Product and Process.

Together, these two steering committees 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.

Cybersecurity and Data Privacy

Technological advancements allow for the rapid collection, monitoring and analysis of data. Managing and securing operational, customer and product data is critical now more than ever to ensure protection of TTC assets.

Leveraging lessons learned over recent years, we are advancing the traditional model of cybersecurity beyond solely in-house protection. TTC is expanding security boundaries to protect our stakeholders wherever they do work, anywhere, worldwide. To do so, our Security and Compliance Team and our IT group coordinate two cybersecurity functions: the SAP 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 our stakeholders. Our Board and the Audit Committee oversee cybersecurity risks. 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 security mechanisms.

We engage employees on the identification and management of cybersecurity risks and conduct mandatory training as part of our onboarding curriculum. Awareness training is available online to all employees, and we simulate phishing schemes to educate employees as well as conduct 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. We believe our privacy program is not only a responsible business practice, but it also builds trust with our customers, investors and employees. 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 that we collect and process.

In addition, employees receive regular training and communication regarding privacy and data protection. In accordance with 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 laws and regulations, including the European Union General Data Protection Regulation (EU GDPR). For more information on the TTC Privacy Policy, please visit our [website](#).

Board Metrics^[1]

60
years average age

9
average years
of tenure

25%
of directors
who are racially /
ethnically diverse

33%
of directors
who are women



GENDER ON TTC BOARD OF DIRECTORS

66% Male
33% Female



ETHNICITY ON TTC BOARD OF DIRECTORS

76% White
8% Black
8% Asian
8% Hispanic / Latino

[1] All board metrics are as of March 15, 2022.



OUR SUSTAINABILITY FOCUS AND COMMITMENTS

Our focus on sustainability, including ESG priorities, underpins our purpose of enriching the beauty, productivity and sustainability of the land. Sustainability is the foundation of our strategic priorities, and we are committed to leveraging innovation to reduce the impact of our operations, products and services. We integrate sustainable considerations to deliver innovative products and solutions, and our corporate strategy, industry leadership and expertise help guide our efforts.

To direct our efforts, prior to publishing our inaugural sustainability report in 2019, we conducted an internal sustainability materiality assessment to identify ESG areas and topics of importance to TTC. As a result, we developed four sustainability pillars to guide strategic actions and disclose topics of importance.

- **Planning:** Commitment to embed sustainability into our culture by enhancing our strategic approach to sustainability initiatives, providing more transparency and supporting our pillars and program development.
Disclosure topics: Sustainability Focus and Commitments.
- **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.
Disclosure topics: Employee Health and Safety; Diversity, Equity and Inclusion (DEI); Talent Attraction, Retention and Development; Employee Wellness; Community.
- **Product:** Commitment to develop innovative, safe and high-quality products that yield performance, productivity and environmental benefits for our customers.
Disclosure topics: Innovation; Product Safety.
- **Process:** Commitment to continuous improvement of operational and resource efficiency; energy, water, and waste management; and Lean management across our value chain.
Disclosure topics: Supply Chain Management; Operational Efficiency.

MANAGING OUR COMMITMENT

To manage the TTC global sustainability strategy, our VP of Sustainability and the Sustainability Committee direct actions and monitor progress. The VP of Sustainability supports TTC sustainability commitments by defining and driving related metrics, while also enhancing organizational visibility and opportunities globally.

The establishment of the TTC Sustainability Committee in fiscal 2019 allows us to develop and address sustainability initiatives on a global scale. To understand the industry landscape for sustainability, the Committee benchmarked sustainability best practices, as well as risks and opportunities, for disclosure, actions and metrics. Results informed the development of our 2025 sustainability goals and highlighted additional opportunities for action including support for the United Nations (UN) Sustainable Development Goals (SDGs).

With input from our strategic pillar Process team and the Sustainability Committee, we regularly assess our sustainability performance and identify areas of improvement. With the goal of continuous improvement, we will evaluate our efforts on an ongoing basis.

Toro® Workman® GTX Lifted Lithium-Ion utility vehicle



TTC FISCAL 2025 SUSTAINABILITY GOALS



People

Increase the number of women and racial and ethnic minorities in leadership positions by at least 20% compared to fiscal 2021.



Process

Reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by at least 15% compared to fiscal 2019.

PLANNING

Product

Increase battery and hybrid product sales to at least 20% of total adjusted net sales (motorized product sales).



SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UN SDGs) provide a blueprint for governments, businesses and civil society organizations to address the most pressing environmental and social issues globally. At TTC, we are committed to addressing these global challenges by helping to build solutions for future generations.

We have recently reviewed the UN SDGs to identify those goals where TTC can have the greatest impact so that we can align our programs and efforts to support achievement of UN SDGs. Below are the six UN SDGs where TTC is best placed to make significant contribution, with a summary of our programs and impacts to date.



UN Sustainable Development Goals	Our Actions
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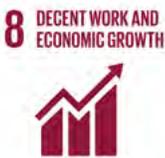
GOAL 6: CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all

[Read More](#) →

TARGET 6.4

- **Irrigation product innovation** increases efficiency and sustainable water withdrawal
- **Operations** promote water recycling
- **Land. Water. Thrive.** in collaboration with iDE and Opportunity International, educates smallholder farmers on water management best practices
- **Outreach** on water management issues, strategies and challenges



GOAL 8: DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

[Read More](#) →

TARGETS 8.3, 8.4 AND 8.5

- **Land. Water. Thrive.** helps ensure access to income generating opportunities and technologies to support the economic growth of smallholder farmers
- **Operational improvements** increase resource efficiency and decrease environmental degradation
- Employment includes generous **pay, benefits, training, mentoring and ongoing education** that build competency
- Focus on building and maintaining a **diverse, equitable and inclusive** global culture

9 INDUSTRY, INNOVATION
AND INFRASTRUCTUREGOAL 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 COMMUNITIESGOAL 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 PRODUCTIONGOAL 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
ACTIONGOAL 13:
CLIMATE ACTION

Take urgent action to combat climate change and its impacts

[Read More](#) →

TARGETS 13.1, 13.2, 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

ENGAGING INDUSTRY

ESG industry memberships and leadership allows TTC to gain insight on relevant issues and provides opportunities to support solutions. TTC actively engages with organizations and peer network groups focused on sustainability issues including recycling programs, water management, product safety and alternative power as a response to climate change. Industry associations, key industry memberships and leadership engagements that focus on sustainability include:

- The [Association of Equipment Manufacturers](#) (AEM) promotes construction and agriculture equipment manufacturers and partners in the global marketplace. TTC serves on several AEM technical committees.
- The [Committee for European Construction Equipment](#) (CECE) promotes European construction equipment and related industries to achieve a fair competitive environment via harmonized standards and regulations.
- The [European Garden Machinery Industry Federation](#) (EGMF) serves as the voice of the outdoor equipment manufacturers to panEuropean regulatory bodies.
- The [Outdoor Power Equipment Institute](#) (OPEI) represents the outdoor power equipment on industry issues ranging from developing standards to regulatory policy in the U.S. and Europe.
- The [Rechargeable Battery Association](#) (PRBA) advocates at the state, federal and international levels on lithium-ion and nickel metal hydride batteries issues. TTC leads PRBA Battery Product Stewardship and Environmental and Recycling subcommittees.
- [RECHARGE](#) European rechargeable and lithium batteries industry association focused on 360° value chain challenges. U.S. and European TTC Product Integrity Specialists participate on four subcommittees.





PEOPLE

At TTC, our people are the foundation of our success. Without dedicated people, our vision to be the most trusted leader in solutions for the outdoor environment would be unattainable. To attract and retain the best talent, we focus on creating meaningful work, ensuring the safety of our workplace, promoting employee growth, development and wellness and supporting the uniqueness of each employee. We also value the communities in which we live and work and give back through volunteering and financial support.

OUR CULTURE

At TTC, our culture is the basis for our enduring success in our industries. Each day our dedication to excellence guides our actions, and our commitment to respecting each other and our outdoor environments is a part of everything we do. We take pride in our work and strive for continuous improvement through engagement, innovation, teamwork and a strategic focus on instilling values-driven behaviors.

We are a leader in the industries we serve because of our people and their creativity, execution, resilience and care. We lead by investing in their growth, promoting their wellbeing, ensuring meaningful work and fostering opportunities for employees to engage beyond TTC and give back to the communities in which we operate.

Power Forward

For two decades, TTC has developed a number of multi-year employee initiatives that build upon one another and are designed to engage employees in meaningful job specific work that allows them to advance enterprise priorities while also providing wider solutions that drive continuous improvement across TTC. These initiatives align with company financial and other goals and reward employees for meeting or exceeding stated performance targets.

Our *Power Forward* employee initiative, launched at the start of fiscal 2021, was a single-year initiative designed to provide visibility to and support management of COVID-19 and supply chain challenges, as they were unfolding throughout the world. As part of this initiative, employees selected four engagement activities from five areas:

- Customer Support & Productivity
- Safety & Wellness
- Sustainability
- Diversity, Equity & Inclusion
- Corporate / Financial Awareness

For exceeding established financial goals and participating in four *Power Forward* employee engagement activities, eligible employees received the equivalent of five days' compensation at the end of the fiscal year.



EMPLOYEE HEALTH AND SAFETY

Employee health and safety is a core commitment and key aspect of our long-term strategy. With the goal of ensuring safe operations, we work each day to eliminate employee health and safety incidents while advancing operational improvements. We believe that it is our responsibility to apply our health and safety commitment equally from leadership to our frontline workers so that we are better equipped to protect our global workforce and help them safely return home each day.

To strengthen and focus our health and safety culture, we apply a proactive behavior-based training approach that engages and enables employees to identify hazards and prevent incidents before they happen. This is led by a team of safety professionals who provide ongoing safety awareness training and education to our workforce while also tracking key health and safety performance indicators and identifying improvement opportunities.

Our Safety Management Approach

The TTC Employee Health and Safety Policy outlines our health and safety commitments and management approach, while our environmental, health and safety (EHS) management system helps to further identify safety opportunities and monitor safety-related performance. The EHS management system also helps drive transparency and build a culture focused on safety priorities.

To achieve our aspiration of zero incidents, we focus on behavior-based activities that reinforce safety awareness and mitigate the likelihood of accidents before they occur. We also utilize safety engagement activities that include supervisor-level training, safety advocacy studies and interactive training sessions.

To monitor our performance and identify where we can continually improve our management system, we track the following key performance indicators via our online data management platform:

- 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

To ensure consistent management of safety, our EHS team oversees the execution of our EHS Policy and EHS management system. The structure of the team establishes a clear framework for daily oversight and engagement responsibilities. The TTC safety team includes EHS Safety Team Leaders, Safety Facility Committees and Safety Specialists from across the company. Team Leaders oversee safety-related activities and management across our manufacturing locations. Supporting leaders at the facility level, our EHS Committees are responsible for leading engagement activities, and our Safety Specialists are responsible for safety oversight and instruction at our finished product assembly facilities.

In 2021, to further integrate safety into TTC culture, we added a Safety Advocate role to our EHS Committees. The role allows EHS Committee members the opportunity to build firsthand knowledge of protocols by supporting the work of TTC Safety Specialists.

In addition to facility-level leaders, TTC enterprise leadership and the Board play a significant role in the oversight of EHS activities. Leadership is responsible for monthly reviews of safety data and protocols, and the Board receives health and safety performance updates at every Board meeting.

Promoting Safety Education and Engagement

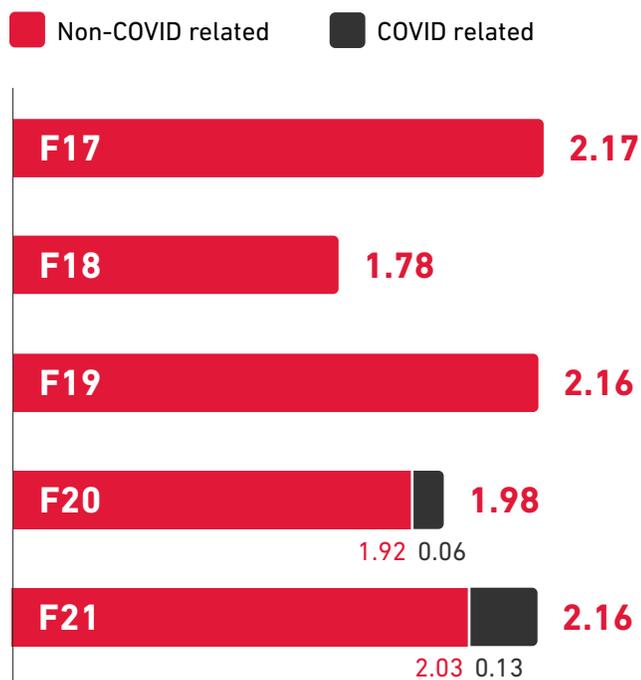
Safety is the responsibility of every employee. With that in mind, employees are required to participate in EHS training and to promote safety initiatives. The goal of the training is to shift the employee focus to being proactive and to create an environment where team members actively monitor work environments for safety concerns before they become incidents.

Additionally, our facility-based supervisor training program, adapted from the National Safety Council, allows supervisors to provide mandatory safety training and promote safety awareness at the site level. In 2020 and 2021, in response to the COVID-19 pandemic, we adjusted our required monthly training sessions to accommodate smaller class sizes and instituted strict sanitation protocols for in-person sessions.

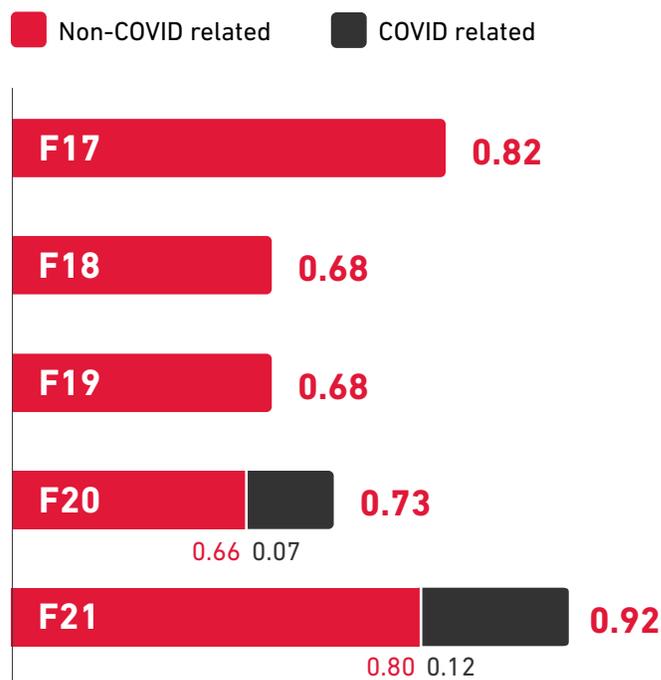
To enhance training opportunities, we educate employees on an ongoing basis through EHS scorecards, visual aids, standardized signage, meeting safety messages and best practices. To increase access to training, we are transitioning to an online learning system offered through our human capital management (HCM) system to which each employee has access. The platform will offer required and optional virtual training modules, provide notifications to employees when training is due and allow TTC to monitor employee safety training completion rates.

In support of safety learning and engagement, we host an annual day-long Safety Summit. The summit provides a platform to share and advance best practices across our network and enable safety collaborations across departments.

Total Recordable Injury Rate (TRIR)^[1]



Lost Working Days Rate (LWDR)^[1]



Health and Safety Data	F17	F18	F19	F20	F21
Near Miss Frequency Rate ¹ (NMFR)	-	7.99	8.27	12.35	8.88
Fatality Rate ^[1]	0.00	0.00	0.00	0.01	0.00
Locations with zero recordable injuries (#)	16	19	35	33	38
Locations with zero recordable injuries (%)	42%	50%	57%	56%	62%
Percent of workers covered by an occupational health and safety management system (%)	100%	100%	100%	100%	100%

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

DIVERSITY, EQUITY AND INCLUSION

Diversity, equity and inclusion (DEI) is important to building the best teams to drive TTC performance, and our commitment to having a diverse workforce is key to our mission of delivering superior innovation and superior customer care. We believe creating a more diverse workforce brings new perspectives and creates stronger connections, while also sparking creative ideas and improving our ability to innovate.

Reflecting our core values of respect, trust and empowerment, an equitable and inclusive workplace allows employees the freedom to be their best selves at work and feel a genuine sense of belonging. We believe an inclusive culture contributes to employees continuing to choose TTC and making us a great place to work. We recognize that a holistic DEI strategy needs to touch all parts of the enterprise. Our work is structured under four DEI pillars: Workforce, Workplace, Community and Markets.

Our *Workforce* pillar is focused on goals of increasing representation of all dimensions of difference within TTC. Bringing in diversity of all forms to our workforce ensures we can collectively represent, reflect and support the communities in which we live and work. In fiscal 2021, global deployment of a new HCM system enabled us to manage and track global employee data via a single database, allowing for more robust employee demographic information and better understanding of elements of diversity. Based on our existing demographics, we recognize we can improve. To that end, we are committed to increasing 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 fiscal 2020 and 2021, our *Workplace* pillar focused on offering experiences and educational resources that promote inclusiveness and recognize diverse backgrounds among employees through heritage and awareness months and days.

Workforce Demographics^[1]



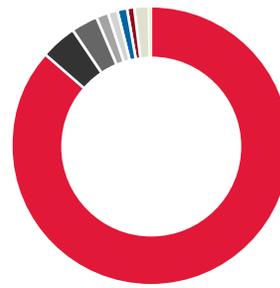
**GENDER BREAKDOWN:
GLOBAL OFFICE**

- 75% Male
- 24% Female
- <1% Not disclosed



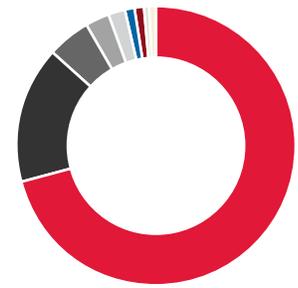
**GENDER BREAKDOWN:
GLOBAL PRODUCTION**

- 68% Male
- 32% Female
- <1% Not disclosed



**ETHNICITY / RACE
BREAKDOWN: U.S. OFFICE**

- 87% White
- 4% Hispanic / Latino
- 3% Asian
- 1% Black
- 1% American Indian / Alaska Native
- 1% Pacific Islander
- 1% Two or more ethnicities / races
- 2% Declined to answer
- <1% Not disclosed



**ETHNICITY / RACE BREAKDOWN:
U.S. PRODUCTION**

- 72% White
- 16% Hispanic / Latino
- 5% Asian
- 3% Black
- 2% American Indian / Alaska Native
- 1% Pacific Islander
- 1% Two or more ethnicities / races
- <1% Declined to answer
- <1% Not disclosed

[1] New reporting metrics beginning in fiscal 2021.
All gender and ethnicity data is as of December 15, 2021.

Other Workplace pillar events included celebrating women at TTC through our executive *Let's Talk* panel, featuring the VP of Human Resources and General Counsel, Amy Dahl, along with our VP and Chief Financial Officer, Renee Peterson. We also began foundational work in fiscal 2021 for our first Employee Resource Group (ERG) for women, called The Toro Company Women's Initiative Network (TTC WIN), which we proudly launched in 2022. TTC WIN provides women, those that identify as women and their allies a safe space and forum for support, mentorship and career development. Underpinning all of this, we offer curated, on-demand DEI awareness courses and educational materials through our intranet site and learning management system.

Gauging the inclusiveness of the culture is an ongoing listening effort with employees. A broad and comprehensive survey was conducted in 2021 to help us measure employee engagement and gather feedback on TTC culture.

Our Community pillar often aligns with the efforts of the Workplace pillar to offer ways for employees to be involved in volunteerism or giving around special heritage and awareness days. For example, in 2021, TTC partnered with the Cherokee, Kaw and Pawnee Nations in Oklahoma during Native American Heritage Awareness Month to spark conversations on how TTC can support more diverse communities including Native American populations.

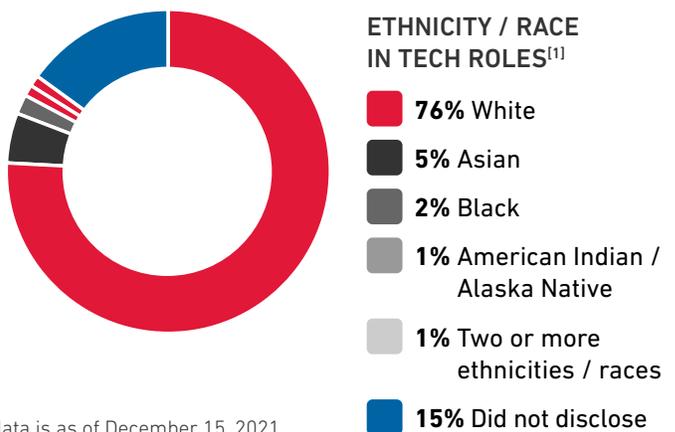
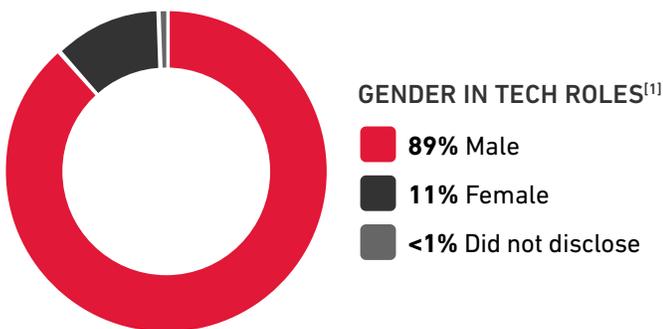
The *Community* pillar also focuses on understanding the communities in which we operate and supporting those communities through engagement and partnerships.

At times, specific events need to catalyze immediate action. Following the 2020 unrest resulting from the death of George Floyd in our Minnesota community, our Chairman and CEO Rick Olson expressed support of shared human values including dignity and respect and committed to supporting wider equity, inclusion and giving back efforts globally. TTC is one of 80 Minnesota-based companies and nonprofits that came together as a result of that event to build an equitable, inclusive and prosperous Minnesota with and for Black residents.

To support our wider DEI efforts, membership in the [Minnesota Business Coalition for Racial Equity](#) (MBCRE) allows us to collaborate with MBCRE leaders and member companies to develop and share practices focused on creating change. In addition, TTC engaged with the [African American Leadership Forum](#) (AALF) to discuss opportunities and challenges with community leaders to understand ways to support a more inclusive future. AALF is an organization focused on transforming the future of African Americans in Minnesota by supporting the movement United by Black, Powered by All. The forum uses Black-Centered Design to generate community-informed solutions that advance racial justice.

Our work with Minnesota-based organizations seeking racial justice for Black Minnesotans supports learning and actions on a broader level for TTC in diversity, equity and inclusion across our enterprise.

Finally, our *Markets* pillar will continue to have a broad focus extending from the diversity of our suppliers to how we partner and present ourselves in our different markets.



[1] Tech Roles are defined as engineering and IT jobs. All gender and ethnicity data is as of December 15, 2021.

Gender by Management Level^[1]



INDIVIDUAL CONTRIBUTOR
 ■ 76% Male
 ■ 24% Female



SUPERVISOR
 ■ 79% Male
 ■ 21% Female



MANAGER
 ■ 80% Male
 ■ 20% Female



SR MANAGER
 ■ 78% Male
 ■ 22% Female



DIRECTOR / SR DIRECTOR
 ■ 85% Male
 ■ 15% Female



MANAGING DIRECTOR
 ■ 69% Male
 ■ 31% Female



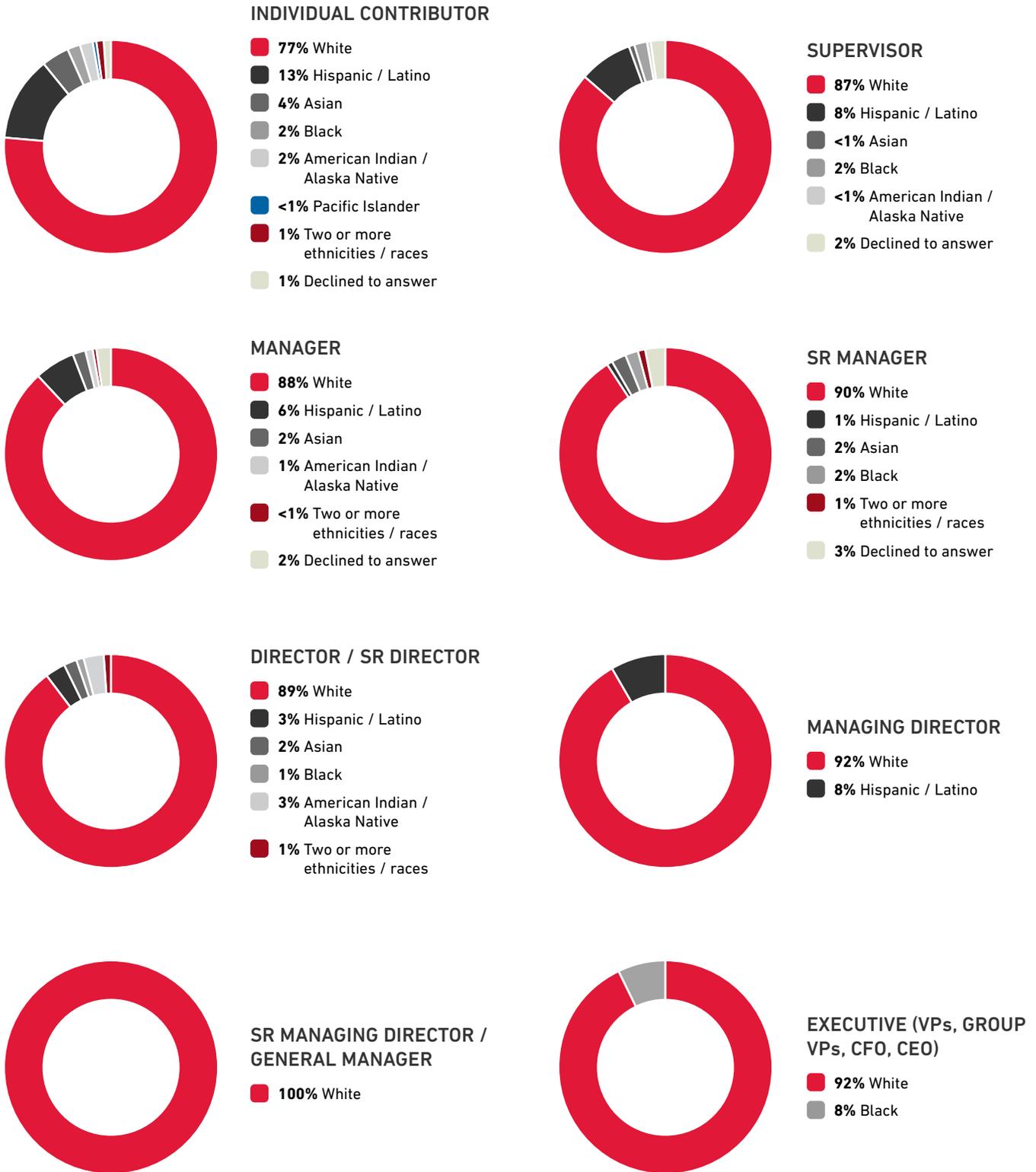
SR MANAGING DIRECTOR / GENERAL MANAGER
 ■ 91% Male
 ■ 9% Female



EXECUTIVE (VPs, GROUP VPs, CFO, CEO)
 ■ 77% Male
 ■ 23% Female

[1] All gender and ethnicity data is as of December 15, 2021.

Ethnicity / Race by U.S. Management Level^[1]



[1] All gender and ethnicity data is as of December 15, 2021.

TALENT ATTRACTION, RETENTION AND DEVELOPMENT

As our industries evolve, TTC must attract and nurture a future-ready global workforce that grows and thrives and continues to choose TTC every day. We are committed to providing opportunities for our employees to grow professionally and personally.

Investing in Our People

We approach talent attraction, retention and development with the same focus we bring to everything we do. We recognize that development opportunities are vital to building the best teams and maintaining a high-performing workforce, and we strive to provide the resources, opportunities, individualized development options and purpose-driven work that allow employees to grow and have successful and fulfilling careers.

We believe ongoing conversations between managers and employees around performance and growth are critical to fostering a continuous learning environment. We conduct year-end annual performance reviews and utilize mid-year conversations as means to enhance ongoing engagement, solicit feedback and build learning opportunities between leadership and their teams.

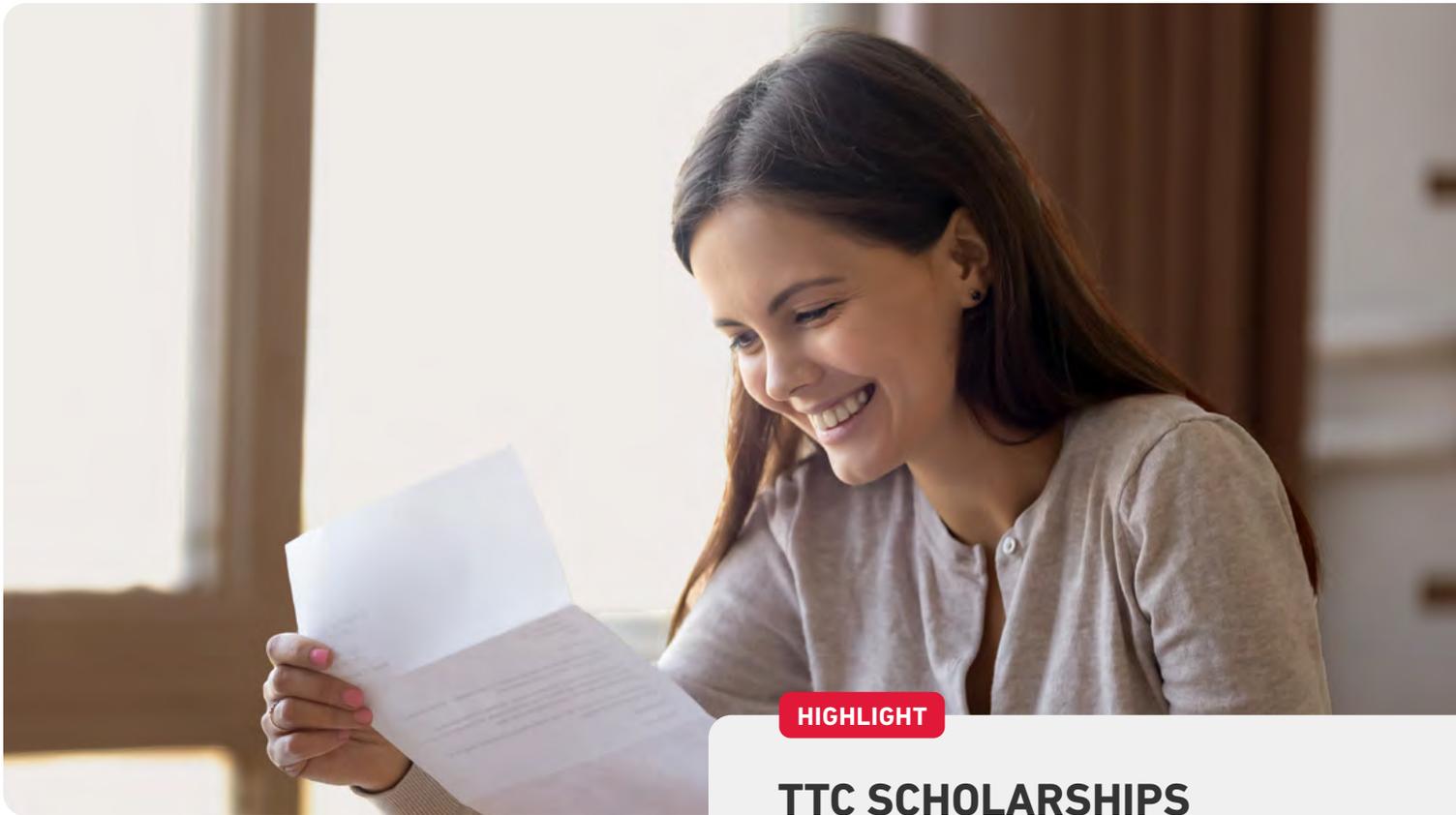
Our career development efforts include apprenticeships, job training, mentoring and coaching, leadership development, tuition reimbursement, rotational job programs and hands-on functional job training. Throughout the year, we also offer events focused on

leadership training that leverage cohort interactions, peer coaching and learning assignments. A few examples of such programs include Leadership in Motion, the Leadership Development Forum and Front-Line Leadership Excellence (FLEX).

Our Leadership in Motion program is a highly selective global program that includes a capstone project designed to apply skills that address real TTC business challenges. Our Leadership Development Forum offers a way for leaders around the globe to connect virtually, listen to a thought leader on a specific topic and discuss applications to TTC. Our FLEX program for manufacturing and distribution center supervisors cultivates leadership capabilities by providing the resources necessary to build effective communication and problem-solving skills. Despite the limitations of COVID-19, we were able to offer and expand our FLEX program to include hands-on, factory-floor opportunities where participants worked with manufacturing supervisors to solve problems and communicate solutions.

In response to COVID-19, we added an Engaging Effectively program to our skill development offerings. This program provided assistance and resources useful in the transition to remote working. The program helps increase and build a sense of belonging in remote work situations by assessing employee awareness through a line of reflective questioning posed to understand needs related to inclusion and virtual team building.





HIGHLIGHT

TTC SCHOLARSHIPS

Established in 1976, The Toro Company Scholarship Program provides TTC foundation funding for academic record, leadership, community involvement, honors and work experiences. Awards range from \$1,000 to \$4,000.

Established and financially supported by Mike Hoffman, TTC's CEO from 2005 until 2016, and his wife Tami, the Mike and Tami Hoffman Scholarship Program established in 2017 provides tuition assistance to Toro employees or their dependent children based on financial need.

Globally in 2021, the two TTC scholarship programs awarded \$367,000 in financial grants to 147 students.

We continuously work to improve the employee experience and create a workplace environment that supports growth and job satisfaction. One way of evaluating efforts is through the biannual, global employee engagement survey that allows employees to offer feedback and insights. Employee feedback helps TTC understand needs and perceptions, and analysis and communication of survey results occur at various levels with action planning at team levels. Our goal is to leverage feedback and results to develop meaningful and impactful programs and initiatives.

To ensure access to learning outside of TTC, we offer an education reimbursement program that helps current employees return to school to take courses relevant to their career path. Eligible employees complete work at accredited educational institutions are eligible for reimbursement of costs associated with tuition, books and other school-related expenses.

Education Reimbursement Program	F19	F20	F21
Education Reimbursement Recipients (#)	89	75	72



HIGHLIGHT

MELROSE-HOFFMAN EMPLOYEE CRITICAL NEED FUND

In 2005, we established our Employee Critical Need Fund with plans to serve our employees and their families during times of hardship. This program provides grant funding to TTC employees during critical times, such as unexpected illness, natural disasters, loss of life, mental health or chemical dependency treatment or other extreme circumstances, including COVID-related hardships. Recipients are eligible to receive up to \$10,000 to cover resulting financial costs. In fiscal 2020 and 2021, TTC awarded a total of \$264,847 in support of 438 employees and their families.

Future Talent

Developing the talent of the future is pivotal in our path forward, as we shift to a more technology-oriented organization. By engaging in early career development, we hope to build valuable connections that support the TTC workforce of tomorrow. One way we engage future talent early in school is through sponsorship of youth Science, Technology, Engineering and Mathematics (STEM) education.

In addition, our long-standing college internship program helps students prepare for future careers through hands-on professional experience and daily interactions with TTC leadership. In fiscal 2020, despite the impact of COVID-19, we hosted 24 interns in Bloomington, increasing that number to 31 interns across six locations in fiscal 2021, and we are expecting to double that number in fiscal 2022.

Outreach and relationships with schools, community and state organizations are key strategies to building our future talent pipeline and advancing our DEI goals.

Employee Benefits

Our approach to total rewards is designed to provide employees with access to the care and the programs they need, when they need it. For this reason, TTC's compensation and benefits packages support financial, mental and physical wellness needs.

Financial benefits allow employees to control current and future finances. All U.S. employees are eligible for a retirement savings matching program, with a 100% match of the first 4% employees contribute to retirement. Additionally, we offer online and onsite financial wellness education courses and tools for asset management.

In support of employee wellness and health, we provide additional non-compensation benefits. U.S. benefits include 10 paid holidays, vacation days and paid parental leave, with summer hours in effect at specific locations. Those enrolled in one of our medical plans are also eligible for fitness discounts and tobacco-free credits. Medical and prescription drug coverage options are also available for employees and their spouses and children.

We also added caregiver leave time, extended parental leave from two weeks to six weeks and added online mental health resources for U.S. employees.

EMPLOYEE WELLNESS

Our commitment to employee health and wellness reaches beyond the workplace. We strive to support our people at work and at home through initiatives that enhance mental, physical and social wellness. We know that employees who are happy, healthy and have access to resources to maintain their overall wellness are better equipped to contribute at work. To that end, we have established the following employee wellness programs:

- **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 24/7 access 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.
- **Virtual fitness classes** provide options for at-home or remote workouts.
- **Musculoskeletal health** support helps integrate exercise and movement into routines to minimize ergonomic health impacts and promote long-term muscle health.



COMMUNITY INVOLVEMENT AND ENGAGEMENT

At the heart of TTC is our commitment to people, and we believe that a satisfying life comes from contributing to, and engaging with, the communities where we live and work. Community support is core to our culture, and our efforts reflect a dedication to action and engagement that enriches the lives, communities, industries and land that we serve.

TTC community efforts center on four pillars: Employees, Community, Industry and *Land. Water. Thrive*. Through employee volunteerism and donations, corporate giving and in-kind donations, we aim to enhance and beautify outdoor spaces while also supporting the shared values of our partner communities and organizations.

Community Pillars



EMPLOYEES

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



COMMUNITY

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



INDUSTRY

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



LAND. WATER. THRIVE.

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



Employee Pillar

In support of workforce passions and reinforcing TTC culture, global employees volunteer with local charitable and civic organizations to complete beautification, preservation, water conservation, community health and housing and youth enrichment projects. TTC annually provides full-time salaried employees up to 20 hours of volunteer time off during the workday. In addition, our Dollars for Doers program donates \$300 to qualifying nonprofit organizations where an employee volunteers at least 30 hours of personal time in a given year.

Additionally, we provide both team and individual matching contribution programs. Within our Team Match program, teams of six or more U.S. employees are eligible for contribution matching to approved organizations, ranging from \$100 to \$1,000. Our Individual Heroic Effort program matches funds up to \$1,000 for U.S. employees participating in a charitable event lasting more than two days or one that requires intense training such as a marathon.

In 2021, we added the TTC Advancing Equitable Communities Grant program in support of nonprofit organizations with equity-driven missions. We consider organizations for grants via employee nominations and determine grant recipients via employee voting. In fiscal 2021, nearly 11% of nominated organizations received funding.

As we expand our programs, our goal is to align TTC community efforts with wider opportunities in support of our DEI mission, as we seek additional ways to help employees support organizations important to them.

Community Pillar

Through our volunteer partnerships and programs, we develop long-lasting relationships that enhance the spaces and places where we live and work. We also collaborate with community organizations to leverage our resources and skills to create a lasting positive impact. Signature community programs include our partnership with the United Way (UW), skills-based volunteering including work with Habitat for Humanity, in-kind product donations, and support for the American Connection Project Policy Coalition and Better Futures Minnesota.

THE UNITED WAY

As our largest annual global financial and employee engagement partnership, we are proud of the support we provide to the UW each year. As 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. In 2021, we continued to strengthen UW efforts by expanding our engagement from six to 26 global locations.

Giving at The Toro Company	F20	F21
Matching Gifts	\$59,513	\$89,501
Team Match Program—Total Matching (\$)	\$0 (COVID)	\$0 (COVID)
Individual Heroic Effort Program—Total Matching (\$)	\$9,370	\$19,923
Dollars for Doers Program—Number of Nonprofits Supported (#)	29	22
Dollars for Doers Program—Total Amount Donated (\$)	\$9,000	\$6,900
Total Hours Volunteered (#)^{[1][2]}	2,961	4,698

[1] Total hours is 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.



Better Futures Minnesota

SKILLS-BASED VOLUNTEERISM

TTC employee volunteering includes skills-based work that allows employees to enhance projects by utilizing their specialized product-related skills to improve outdoor environments. In addition, we assist nonprofits with business planning through service on partner Boards. Diverse skills-based volunteering 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 to utilize the skills of their Certified Sports Field Managers on projects that rebuild youth softball and baseball fields.

As part of our skills-based volunteering, we support *Habitat for Humanity* home building and maintenance with expert users of TTC construction and maintenance tools and with volunteer hours. In addition, for over two decades, we have donated walk-power mowers, irrigation and yard equipment to Habitat homeowners for outdoor maintenance of their newly built homes.

IN-KIND PRODUCT DONATIONS

Beyond volunteer hours and monetary 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 for parks and veteran programs. Product donations also support our Industry and *Land. Water. Thrive.* pillars.

AMERICAN CONNECTION PROJECT POLICY COALITION

The American Connection Project Policy Coalition brings together the expertise of 175 businesses and organizations across finance, health care, technology, food production and more to advocate, leverage expertise and take action for high-speed internet access for all Americans. A key component of the project, which launched in the summer of fiscal 2020, is providing access to free Wi-Fi in rural communities and locations where access is limited. TTC also provides free Wi-Fi access at our Ditch Witch® facility in Perry, Oklahoma, and at our distribution center in Ankeny, Iowa.

BETTER FUTURES MINNESOTA

Better Futures Minnesota reintroduces previously incarcerated men into the workforce by creating entry points to jobs through specialized skills training and transitional support. We partner with Better Futures Minnesota by providing equipment, property maintenance jobs and a hands-on training program that teaches participants how to use and care for TTC outdoor products while also building additional job skills necessary to succeed in the landscaping industry. Our partnership support is allowing Better Futures Minnesota to expand capacity and provide meaningful job skills foundations for men reentering society. In Fiscal 2021, TTC donated multiple pieces of equipment to this program.

Key Community Pillar Program Data		F20	F21
Habitat for Humanity—Number of Volunteer Hours		201	350
United Way—Amount Donated (\$)	Company match	\$554,004	\$578,459
	Total raised	\$1,192,180	\$1,150,000

Industry Pillar

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.

To uphold our legacy, we cultivate long-term relationships with key industry partners. We also increase positive impacts and drive change by encouraging employees to get involved with industry organizations that align with their passions.

We currently have enduring relationships with 18 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 (GEO), Masters Tournament Foundation
- **SF&G:** SAFE Foundation; National Recreation and Park Association; City Parks Alliance, Oglebay Foundation
- **Irrigation:** Irrigation Foundation, Wyland Foundation
- **Professional Contractor:** Project Evergreen
- **Professional Contractor / Agriculture:** FFA Foundation
- **Agriculture:** International Development Enterprises (iDE)
- **Construction:** ARA Foundation, Crew Collaborative

Two notable TTC industry partnership programs include the ANNIKA Foundation and the ARA Foundation. Founded in 2007, the ANNIKA Foundation supports the passion and dreams of young girls by helping them explore the game of golf to reach their potential. More than 600 girls

annually participate in global ANNIKA events that include seven tournaments. Our partnership with ANNIKA supports both girls and the game of golf through a focus on enhanced self-confidence and healthy lifestyles.

The ARA Foundation focuses on building member relationships with the communities where they live and work. Our Community Impact Program partnership with the ARA Foundation helps transform neglected community spaces into safe and healthy outdoor spaces through financial support, product usage and volunteer support that is helping meet community needs in all 10 ARA regions by 2023.

ARA Community Impact Project



Land. Water. Thrive.

In partnership with iDE and Opportunity International (OI), the TTC *Land. Water. Thrive.* initiative impacts lives through the sustainable use of land and water.

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. Through our *Sustain. Train. Maintain.* approach, our goal is to positively impact the livelihoods of smallholder farmer families through employee support that includes sustainable financial solutions, impactful water and land management training and sharing business management acumen. In addition, we offer worldwide greenspace beautification grants with a focus on revitalizing parks and green spaces.

In the developing world, the program 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 in order to drive long-term change.

2020 AND 2021 INITIATIVES

Starting in fiscal 2019 and continuing through fiscal 2021, TTC partnered with iDE and OI to work with smallholder farmers in Honduras, Malawi and Nicaragua to better understand their water practices and develop drip irrigation and water storage solutions that are affordable, sustainable and meet the needs of both farmers and their communities.

Employees presented training on irrigation installation and maintenance and worked side by side with students to install irrigation at the Emprendedora Technical High School prior to COVID-19. Throughout fiscal 2020 and 2021, employees continued to support students through virtual engagements that helped 10th and 11th graders practice and master conversational English. Skills in conversational English can be the difference between being a casual laborer with an inconsistent income and becoming a salaried employee.

Land. Water. Thrive. also focuses on community gardens, neighborhood and school grounds and community parks through a Greenspace Enhancement Grant program. This program supports nonprofit organizations in TTC communities around the world working to revive abandoned industrial areas through the creation of beautiful and functional outdoor community spaces.



TTC Community	Organization Name	Project Description	Fiscal Year
Adelaide, Australia	Royal Zoological Society of So. Australia	Built an educational garden space representing plants used in pre-European settlement times	2021
Bloomington / Shakopee, Minnesota	Crescent Cove	Enhanced an outdoor play space including adding turf, landscaping and flood mitigation	2021
Orrville, Ohio	Rails to Trails of Wayne County	Paved a multi-purpose trail in Marshallville and created a parking area for equestrian vehicles	2021
Perry, Oklahoma	United Fund of Perry	Built an outdoor learning space for Perry Public School students that included native ecosystem plantings and outdoor interactive activity spaces for the wider community	2021
Lake Mills, Wisconsin	Rock Creek Activity Center	Revitalized and updated garden areas and raised beds for seniors and those with disabilities	2020
Saint Paul, Minnesota	Trust for Public Land	Implemented the landscaping plan for the Midway Peace Park Project	2020

Looking ahead, we have established a framework for *Land. Water. Thrive.* that will guide future efforts. This includes:

- **Sustain:** Partnerships with nonprofit organizations to provide financial solutions to small holder farmers in Malawi, Nicaragua, and Zambia 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 in Malawi, Nicaragua and Zambia 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 Malawi, Nicaragua and Zambia.





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 the most innovative products with the highest possible performance and efficiency. We utilize robust product design, test and manufacturing processes that help ensure our products serve the purpose for which they are intended in a reliable and safe manner.

CUSTOMER-CENTRIC INNOVATION

We support our customers with constant innovation that meets their needs while also making their projects more efficient, productive and beneficial to the environment. Our goal is to solve problems, not just produce products. We believe that our commitment to and focus on customers' needs leads to groundbreaking innovations and market leadership.

Customer-centric product innovation has always been a priority of TTC. Understanding how and why customers continue to use our products drives our approach to product design, durability, longevity, safety and environmental stewardship. During customer engagements, we seek improvement opportunities, and we find ways to incorporate feedback into design upgrades and the next generation of products.

Center for Technology, Research and Innovation

Unique to the customers we serve, 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 product development focused on increasing productivity, saving water, increasing use of alternative energy and improving growing conditions for our customers. We strive to create the next generation of products and services for our customers by answering the question, "What do you worry about?" In response to this question, CTRI is focusing on labor scarcity, resource optimization, environmental stewardship and technology development, specifically in the areas of electrification, autonomous and smart connected products.

Water scarcity is a growing concern for our customers engaged in lawn care, agriculture and grounds maintenance. We also anticipate that as supply diminishes, the costs and regulations associated with water management will increase and will drive a need for our customers to manage landscapes with both a lower quantity and lower quality of water. To address these concerns, CTRI is engaged in soil-moisture studies to determine optimal irrigation volumes for precise application and reduced water consumption.

Efficiency due to automation is increasing, and benefits such as cost savings and reduced environmental impact are driving investments at a rapid pace. Researchers at CTRI are developing forward-thinking innovations in autonomous, fuel cells, advanced battery technologies and smart technologies to bring these benefits into our product portfolio. We are also investing time and energy into the development of batteries for autonomous vehicles.

To reduce environmental impacts, CTRI embodies a "take action only on what is needed, where it is needed, when it is needed" mindset. This encompasses using science and preventive measures to mitigate environmental harm through product stewardship. CTRI is leading efforts with research and innovation in hybrid technology, alternative fuels and advanced batteries in TTC products. Using alternative energy sources minimizes reliance on oil and gas.

TTC has a growing number of products on the market utilizing alternative power sources, including propane, biodiesel and batteries. Our alternative power products provide customers performance without compromise. See the [Energy Efficiency and Engine Emissions Reductions](#) section for additional details.

Toro® e-Dingo™ 500 compact utility loader





HIGHLIGHT

ALTERNATIVE POWER SPOTLIGHT

Innovation fuels our passion for creative solutions, as we work to improve productivity, increase fuel and energy efficiency and reduce the engine exhaust emissions of our products. Our full line of all-electric and hybrid mowers and vehicles are engineered to help reduce engine exhaust emissions and noise pollution, and to be more efficient, easy to use and easy to maintain without compromising power, precision, reliability or comfort.

Our [Flex-Force Power System®](#) offers the most powerful 60V battery system in its class, across a full line of tools for equipment for homeowners—doing everything gas can, without the gas can.

One of our leading electric-powered products, the [e-Dingo™ 500 compact utility loader](#), utilizes an ECO Mode, Auto Idle and Inch Mode to handle the toughest indoor remodeling and demolition jobs while eliminating engine emissions, reducing noise pollution and increasing runtimes.

Other forms of alternative power include our hybrid power [Reelmaster® 5010-H](#) and our [Greensmaster® TriFlex™ Hybrid 3420](#) mowers. The TTC Reelmaster® was the first true hybrid drive system, utilizing a diesel engine in concert with an in-line motor generator and a self-recharging, 48-volt battery pack. Hybrid motors operate with reduced noise levels and average fuel savings of 20%.

For a complete list of our alternative power products, please visit the [Alternative Energy Products](#) page on our website.



Toro® 60V Flex-Force Power System®

Autonomous and Smart-Connected Products

Through our strategic acquisitions and new products, including autonomous and smart-connected products, we continue to leverage our commitment to customer-centric innovation. In addition, these products and acquisitions provide future growth opportunities, along with expanded research capabilities, expertise and additional network channels for thought leadership and problem-solving.

Strategically acquired in fiscal 2021, Turflynx® and Left Hand Robotics® complement and accelerate the development of autonomous, alternative power and smart-connected products across our businesses. Helping to innovate our existing product lines, other technologies such as our Machine-to-Machine (M2M) Communications for GeoLink®-equipped sprayers establishes communication between machines, and we are exploring its use in other product lines.

To help our landscape contractor customers easily manage their business by Working Smarter, Not Harder, we offer the [Horizon 360®](#) smart connected business management software. The software allows contractors to take control through management of schedules, workflows and customer information while also allowing for data-driven insights that improve and optimize project delivery.

Engaging to Help Customers Achieve Sustainability Goals

When customers choose TTC products and solutions, they are often not only looking to achieve their operational goals but also further their efforts in sustainability. TTC designs

products with environmental stewardship built into product functions, making it convenient and simple for customers to be more sustainable. We have worked directly with customers worldwide who have turned to TTC to achieve their sustainability goals through new technologies.

- **St Andrews Links Trust:** For nearly 20 years, TTC has been working with St Andrews, the Home of Golf. We began our partnership in 1999 with the installation of an irrigation system and became the preferred supplier in 2002. St Andrews' seven golf courses currently use an all-Toro hybrid and all-electric equipment fleet to help reduce emissions as well as our Toro Lynx® central control system to reduce water usage and create best-in-class turf conditions.
- **City of Amsterdam:** TTC supports Amsterdam's goal of zero emissions by 2030 through fleet optimization and electrification. Our partnership is working to electrify 500 fleet vehicles used to maintain sport fields, fine turf and small areas and larger parks. TTC is also helping to optimize maintenance efforts and reduce waste through an all-in-one solution, the MyTurf® tool, which allows the city to choose the correct parts, equipment and fleet products for each project.
- **National Links Trust:** TTC and Toro distributor, Turf Equipment and Supply Company, entered into a 20-year agreement in 2021 with National Links Trust (NLT) as the exclusive supplier of turf maintenance and irrigation equipment. With a goal of ensuring golf is affordable and accessible to anyone, the NLT also emphasizes that a well maintained and environmentally sound course is beneficial to everyone, golfers and non-golfers alike.

WATER STEWARDSHIP

At TTC, we provide innovative, industry-leading solutions that promote water stewardship in turf, landscape and agricultural settings. With growing global concerns, including water scarcity and pollution, we recognize our opportunity to create positive change and reduce impacts through our products. In support of our customers who work with and on the land, we aim to provide the most innovative and efficient products possible, focused on enhancing conservation and overall water stewardship.

In addition to product solutions that support stewardship, we foster water-focused education and collaboration through our industry partnerships and associations, including the Irrigation Foundation, 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.

Toro® Aqua-Traxx® drip tape



Through our active participation in industry associations, and by working with the customers who use our products, we seek to understand and support advancements in water stewardship, conservation and efficiency. In 2021, we received a seventh consecutive WaterSense® Award for our dedication to promoting water-efficiency and helping consumers and businesses conserve water. We look forward to our continued partnership with the U.S. Environmental Protection Agency WaterSense® program to provide product and outreach solutions that advance the responsible use of water.

Advancing Agricultural Efficiency

For decades, TTC drip lines, drip tape and other irrigation products have increased water efficiency for agricultural operations and nurseries. Our patented Aqua-Traxx® drip tape and industry-leading Blue Stripe® hoses are examples of innovative irrigation products that are providing growers with increased water efficiency. To reduce the need for inefficient above ground irrigation and to increase crop yields, these products efficiently supply water at a more consistent, low rate to a plant's root zone. Consistent irrigation at the roots increases yields by reducing crop stress and over- and under-watering.

In fiscal 2019, we added more water-saving products to our portfolio with the addition of our Aqua-Traxx Azul® drip tape which uses the exclusive TTC flow path technology to more effectively resist clogging and ensure a consistent and uniform flow of water, nutrients and other inputs. This technology features raised, debris-blocking inlets and increases lifespan through a self-flushing diaphragm. In addition, two new products won innovation awards related to water savings. Our Aqua-Traxx® Sweet Spot™ drip tape won the 2020 Irrigation Association New Product Winner in the agriculture specialty category. By leveraging our legacy of innovation and problem solving, our tape helps growers achieve longer runs while also reducing water and minimizing costs. Similarly, the [TEMPUS® Series Controller](#) was named a 2021 New Product Winner by the Irrigation Association in the agriculture irrigation category. The TEMPUS™ is a cloud-based system that helps growers achieve more flexibility in the management of water resources through Wi-Fi control that is programmable, links to weather forecasts and reports and helps them manage irrigation from wherever they are.

To continue innovating our product lines in support of water efficiency, we also engage with organizations supporting agricultural irrigation solutions. Examples include the California Agricultural Irrigation Association, the California Irrigation Institute, the Irrigation Association and the American Society of Agronomy among others, where TTC serves as a leader and active member.

Innovative Water Solutions

To help our customers choose the right products that solve specific needs and support achievement of sustainability goals, TTC also provides technology solutions that collect data and metrics, which can then be analyzed and used to improve water-conscious decision-making. Our technology includes:

- **Precision™ Series Spray Nozzles and Precision™ Series Rotating Nozzles** are patented and award-winning nozzles that apply water more evenly resulting in decreasing costs and run-off.

- **Lynx® Central Control System** promotes precision turf management through our Lynx Smart Hub, Lynx Smart Satellite and Lynx Dash, which interface for real-time water decision-making.
- **Turf Guard® Wireless Soil Monitoring System** collects and applies real-time data through wireless monitoring of soil moisture, salinity and temperature.
- **EVOLUTION® Irrigation Controller** provides real-time global access via an intuitive interface, smart controls and USB functionality for mobile water control.

ENERGY EFFICIENCY AND ENGINE EMISSIONS REDUCTIONS

In a rapidly changing world, embedding energy efficiency in our products is one of the many ways TTC continues to address global environmental risks. We believe that energy-efficient products contribute to environmental stewardship and result in lower cost of ownership overall. In addition, the 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.

Within our industries, we anticipate that trends such as electrification, energy optimization and autonomous and smart-connected products will continue to expand. Recognizing this long-term shift, we are advancing our energy-focused leadership by applying research and development to product innovations that address customer and global needs. Listening to customer needs has led us to the development of products powered by propane, biodiesel and advanced battery solutions to enhance productivity while reducing engine emissions. We set a goal to increase battery and hybrid sales to at least 20% of total adjusted net sales (motorized product sales) by 2025. As we focus on alternative power, hybrid and smart-connected products, we remain positioned to solve problems while serving customers and our communities.

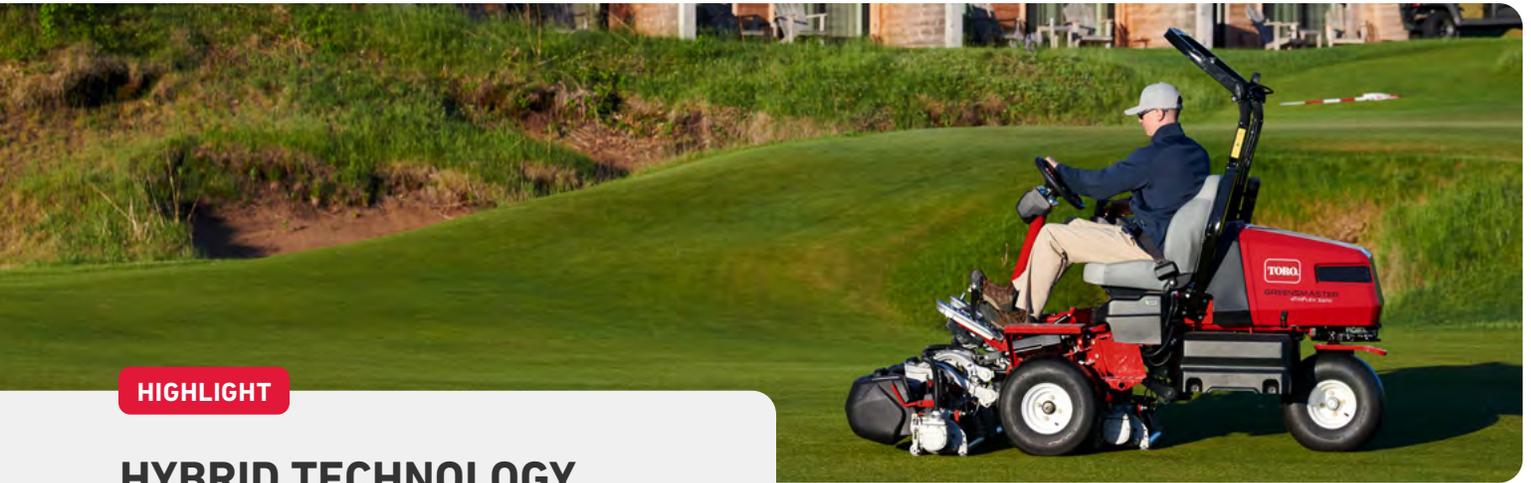
Battery and Hybrid	F19	F20	F21
Product Sales (% of adjusted net sales) ^[1]	4.7%	4.9%	6.5%

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

Battery-Powered Products

TTC is a leading innovator in electrification in the markets that we serve. Our technology advancements are expanding TTC battery offerings for homeowners, contractors and golf and grounds customers. Homeowner offerings include our 60V [Flex-Force®](#) product line with lawn mowers, snow blowers, leaf blowers, trimmers and edgers, chainsaws and hedge trimmers. Additionally, in fiscal 2021, we released our versatile [all-electric Workman® vehicles](#) that allow a single machine to be configured to do more.

We are also advancing leadership with landscape professionals with our Revolution™ Series line, which includes battery-powered stand-on and zero-turn riding mowers that provide day-long run times on a single charge using our proprietary TTC HyperCell™ battery system.



HIGHLIGHT

HYBRID TECHNOLOGY

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 hybrid-powered products deliver power when needed and additional fuel savings and reduced engine emissions when operated in economy mode.

Additionally, customers do not have to sacrifice power for runtime; HyperCell™ batteries combine 2.3 kWh of power per battery pack with innovative software to keep batteries cool and long-lasting. Our smart software helps reduce noise and makes battery-powered equipment more efficient with precision controls.

Harnessing the power of our HyperCell™ technology, our new Revolution™ Series includes commercial-grade equipment designed with professional needs in mind. This product line features the GrandStand® Revolution™ all-electric, stand-on mower and the Z MASTER® Revolution™ zero-turn mower. These mowers combine the original trusted GrandStand® and Z MASTER® chassis with HyperCell™ technology, so customers can accomplish projects with zero engine emissions, zero fuel costs and longer continuous runtimes. The Z MASTER® and GrandStand® mowers offer 70% of their original battery capacity for a decade. The Revolution™ Series provides a run time of six to nine hours without additional charging to deliver product quality where others cannot.

Reduced Engine Emissions

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. Environmental Protection Agency (EPA), California Air Resources Board (CARB), the European Union 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_x), hydrocarbon (HC), carbon monoxide (CO) and evaporative emissions from our engine-powered products.

Optimizing Power Use

Optimizing power for increased performance is at the core of TTC energy efficiency. Our Flex-Force Power System®, Smart Power® technology and Electronic Fuel Injection (EFI) technology are examples of how we are at the forefront of energy-efficient products for the outdoor environment.

Our Flex-Force Power System® product line incorporates 60-volt lithium-ion battery power technology designed for higher performance and longer runtimes, with no engine exhaust and reduced noise. Our Smart Power® Technology system electronically adjusts mower speed, when necessary, to shift more power to the blades, resulting in superior performance. To continue optimizing power use within our products, we use technologies that provide more efficient engines, such as EFI. EFI eliminates the need for a carburetor by directly injecting fuel into an engine using electronic controls. Incorporating EFI technology into our products can optimize productivity by using engine sensors to monitor the exact amount of fuel needed at the optimal time.

WASTE REDUCTION

In addition to promoting water stewardship and energy efficiency, TTC is committed to designing products that help our customers reduce waste. We also partner with our suppliers to develop solutions that maximize efficiency and eliminate unnecessary landfill waste.

Using Cured-In-Place Pipe Technology, we eliminate waste from product replacements by providing a retrofit solution for aging or damaged pipe infrastructure, and our Hammerhead Trenchless® brand uses a waste-reducing Bluelight™ LED system to cure resin in existing pipes. As a retrofit solution, the trenchless system also decreases water loss and reduces landfill waste by extending a pipe's end-of-life.

Our Recycler® cutting system uses innovative blade technology and product design to transform grass clippings into vital soil nutrients, eliminating the need for disposal bags and manual labor. Yard waste is reduced and moisture is returned to the soil for more environmental advantages and a healthier yard.

We also aim to minimize waste associated with product packaging. Our packaging starts with sustainability and end-of-life in mind. We thoughtfully consider minimization efforts that include decreasing reliance on non-recyclable materials, minimizing the use of plastics and where possible, redesigning to use fewer materials overall. For example, our BOSS® Snowplow uses an altered wood pallet and a minimized box and corners to eliminate waste. Additionally, our innovative product labeling using on-product digital labels (e.g., 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 available.

HammerHead® Bluelight LED Curing Technology



PRODUCT SAFETY

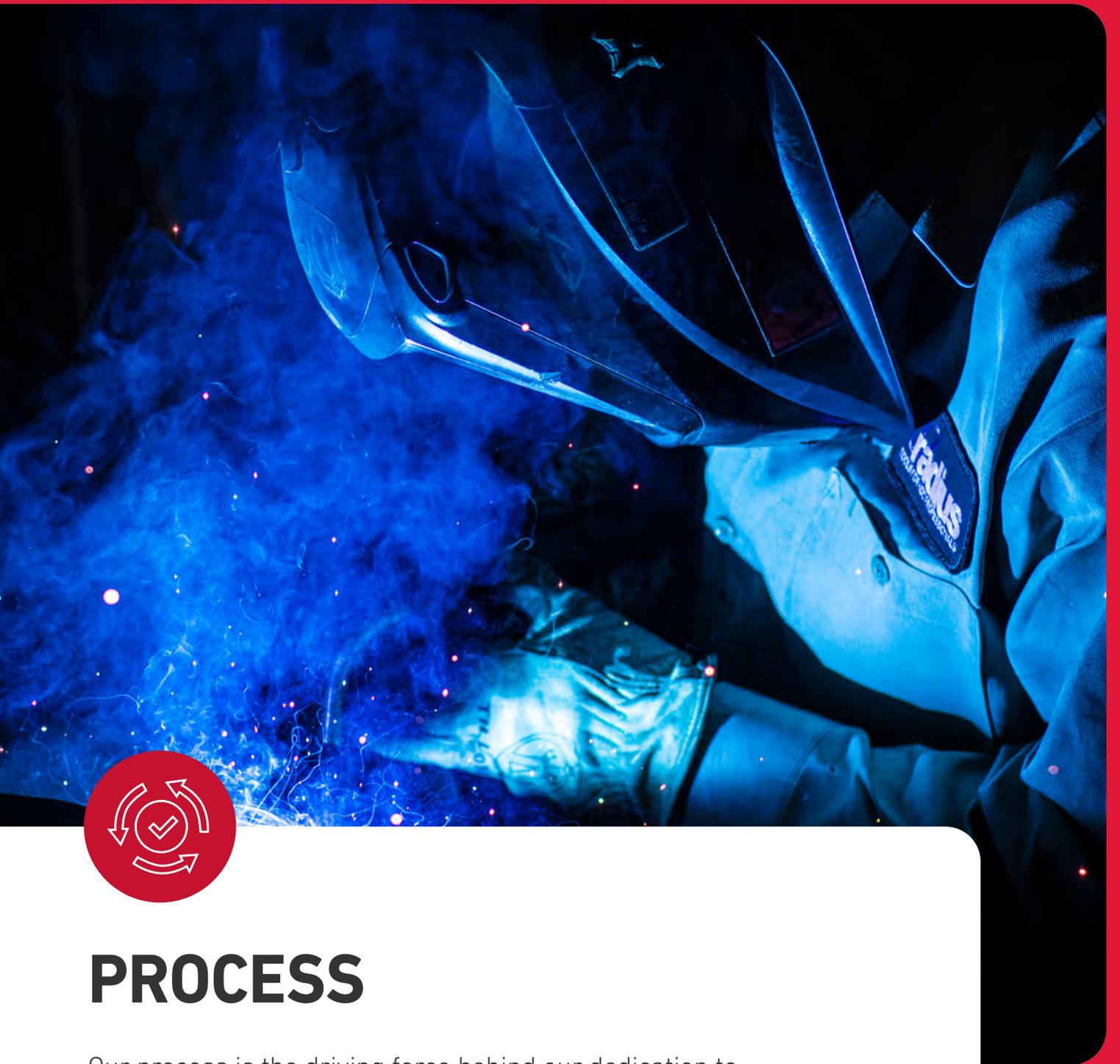
At TTC, product safety is crucial. We are proud of our long history of leadership in product safety and product labeling that includes leading the creation of various voluntary safety standards.

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's 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.

To support users of our products, we provide comprehensive resources that include safety tips, videos, safety data sheets and operating manuals. We also implement stringent protocols to remove hazards from both products and packaging to safeguard employees and customers.

Product safety efforts also help reduce the impacts of our partners, suppliers and distributors. We work closely with suppliers to identify and remove toxic materials from components and parts before they make it into our products. We work with distributors and public agencies to reduce end-of-life impacts through recycling programs that remove batteries, tires and other harmful waste from the environment while also diverting reusable resources such as precious metals from landfills.

To advance product safety efforts internally, our Product Safety Policy and [Ethics Policy](#) guide our actions. Our Product Integrity Team supports efforts by working with business leadership, product safety engineers and product safety committees. The Product Integrity Team begins engagement during the concept phase of product development by reviewing product safety standards and global product compliance for all TTC products and brands. Once a product is in the field, TTC continues to monitor consumer use of products through warranty claims, customer calls and reporting channels to review and update product safety notices and develop safer product designs.



PROCESS

Our process is the driving force behind our dedication to operational excellence and resource efficiency in our integrated supply chain. Led by our enduring commitment to quality, we focus on continuous improvement and innovation as we continue to deliver the top quality products our customers and partners have come to expect for over a century.

INTEGRATED SUPPLY CHAIN

Our history of caring relationships rooted in trust is the foundation of integrated supply chain management at TTC. This commitment to suppliers includes shared goals that are intended to help reduce supply disruptions and improve resiliency through product pipeline stabilization and risk mitigation in normal times. We believe our foundation of trust also allows for continuous exploration of partner innovation opportunities that include leveraging a more circular economy to reduce waste and improving resource management through process efficiencies.

In addition, we are committed to regulatory, business and quality process compliance throughout our supply chain, and we expect all TTC supplier partners and service providers to meet the high standards outlined in our [Supplier Terms of Commerce \(STOC\)](#) and [Supplier Manual](#). The STOC covers a wide range of topics including human rights, labor practices, conflict materials, management systems and ethics, and it affirms that TTC is committed to complying with U.S. and international laws and regulations and expects its suppliers to adhere to that commitment. We also require suppliers to respect the basic human rights of their own workforce and to certify that their employment practices and work conditions are non-discriminatory and not detrimental to the health and wellness of their employees.

Prior to working with TTC, suppliers must sign and return the STOC, noting their commitments to follow the requirements contained within. The Supplier Manual outlines requirements and guidance around supplier communications, engineering processes, quality and continuous improvement. Our sourcing standards help us manufacture the highest quality and lowest impact products possible.

We are committed to upholding global standards including respecting human rights, and we continue to develop frameworks and processes that ensure we are able to assess the effectiveness of our actions within our integrated supply chain.

Sourcing Our Materials Responsibly

TTC products contain single use, recyclable and reusable components. We intentionally choose materials and design TTC products to be as sustainable as possible through reduction of resource consumption, designing waste out and maximizing the life of products, all without compromising on quality and reliability. To manage our impacts and ensure sourcing is ethical and responsible, TTC sourcing agreements and supply chain management policies and procedures target the removal of restricted substances in products.

All material sourcing decisions and strategic sourcing agreements require TTC suppliers to uphold our Terms. We also apply the EU Substances of Concern in Products (SCIP) protocol for all products placed on the EU market. Sourcing alternative materials allows TTC to reduce product impacts and meet EU regulatory requirements.

Supporting a Circular Economy

We believe our circularity efforts are a key component of a sustainable future, combined with efforts focused on minimizing manufacturing waste and creating efficiencies through resource optimization. TTC circular efforts include selling manufacturing scrap metals for reuse and closed-loop recycling in our plastic injection molding process.

To advance circularity, cross-functional TTC teams engage suppliers to explore sustainable design and responsible sourcing opportunities. TTC hosts an annual Supplier Summit to share global best practices via workshops and panel discussions. In 2021, almost 1,000 attendees across nearly 500 organizations virtually attended the summit.

Since 2008, TTC has implemented 13 returnable retail container programs, replacing the use of cardboard boxes and wooden crates with returnable steel crates. Annually we deliver thousands of riding and zero-turn mowers to our customers in returnable steel containers. We pick up crates from discrete locations in North America, including mass retailers, hardware stores and individual dealers and distributors. The program results in the reuse of 95% of the crates two times per year.

OPERATIONAL EFFICIENCY

At TTC, we build facility operational efficiency based on a philosophy of continuous improvement. TTC leverages Lean methodologies to minimize waste and enhance customer value through improved quality and delivery. TTC Business System (TBS), our Lean Enterprise system for driving continuous improvement, empowers employees to find innovative solutions that simplify processes, free up resources and reduce waste, water and energy use where possible. TBS drives transformation in support of the execution of strategic priorities, while aligning TTC performance, people, systems and processes across our organization.

TTC Daily Management System

In 2021, TTC introduced a new element to TBS called the Daily Management System (DMS). This system empowers employees, simplifies processes and frees up resources to focus on innovation and growth.

The DMS supports the management of daily work across the company by defining roles, sharing information, visually managing process and performance and promoting problem-solving and collaboration with team members. Eight DMS components work together to set our foundation for success every day:

- 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.

In fiscal 2021, we launched the DMS Implementation Roadmap, DMS website and DMS Deployment Scorecard at select locations for a phased roll-out across the company. We aim to implement all eight DMS components across North America operations by the end of fiscal 2022.

Monitoring, Targeting and Reporting Program

Our Monitoring, Targeting and Reporting (MTR) program identifies site-specific operational improvements through key metrics and performance indicators related to energy, water and waste. MTR allows for real-time tracking and monitoring of data as well as performance trends and opportunities for operational improvements. Closely monitoring these metrics helps identify cost savings from systems and equipment efficiency improvements that can be applied to product improvements. Currently, the majority of our North American manufacturing facilities participate in our MTR program.

Beyond data collection, informed decision-making through MTR enables global manufacturing collaboration and guides the development and adoption of consistent standards. A global survey of TTC manufacturing sites in fiscal 2020 identified additional opportunities for future MTR tracking of energy, water, solid waste and hazardous waste. We are using survey feedback to establish baseline metrics and resource management and reduction strategies for select facilities. We intend to expand MTR baseline surveying and begin MTR at all of our global manufacturing facilities by fiscal 2023.

Energy Use, GHG Emissions and Climate Change

Our facilities largely use purchased electricity to power their operations. While we have always looked for opportunities to use energy more efficiently, we began a more focused energy reduction journey by taking actions such as LED lighting retrofits, roofing replacements and upgrading to more energy-efficient process equipment.



Building on these efforts, in fiscal 2020 and 2021, we introduced sub-metering at 15 locations as part of our MTR process. Now, with three years of energy data available, we are focusing on developing a baseline for both energy use and Scope 1 / Scope 2 GHG emissions. Additionally, we have set a goal to reduce absolute Scope 1 and 2 GHG emissions by at least 15% by 2025 (using fiscal 2019 as our baseline year).

Establishment of a GHG reduction goal will help us to drive down energy use and consider GHG impacts when making energy-related decisions. We will use MTR to monitor our performance and make adjustments as needed to ensure we meet our goal.

Facility Energy Use^[1] (GJ)

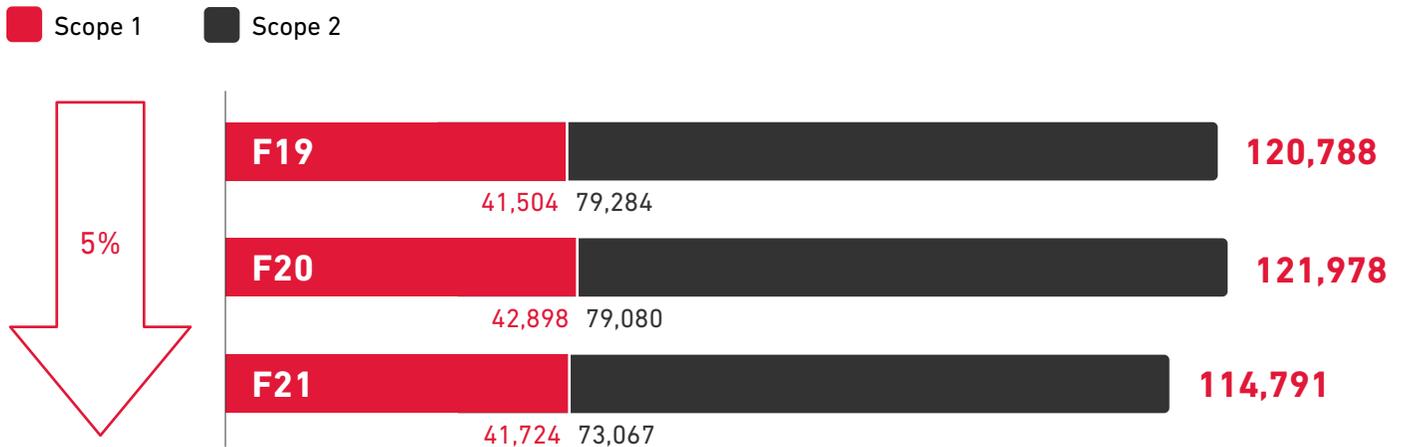
% Grid electricity
 % Renewable electricity



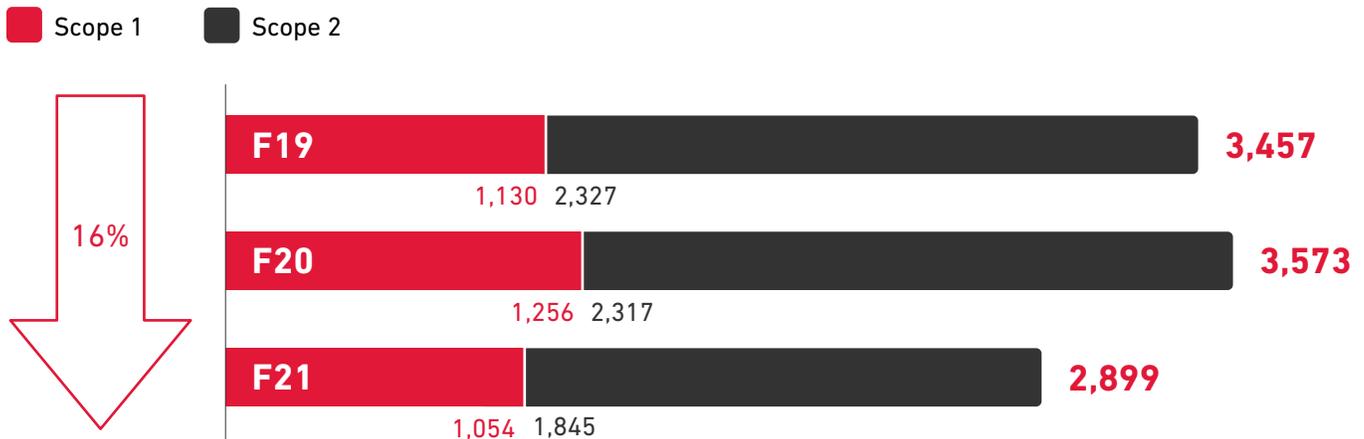
[1] Data includes only electricity and natural gas usage at almost all global locations. The remaining locations will be added in the future.



Scope 1 and 2 Absolute GHG Emissions (MT CO₂e)^[1]



Scope 1 and 2 GHG Emissions Intensity (kg CO₂e per \$100K sales)^{[1], [2]}



[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 (CO₂, CH₄, N₂O). Data calculated based on only electricity and natural gas usage at almost all global locations. The remaining locations will be added in the future.

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

Facility Water Use

TTC understands the importance of managing water resources and respecting the rights and needs of our surrounding communities. We are working to understand water risks and opportunities to improve water use efficiency, in particular in geographical areas of water stress. Where available, we use recycled water from water reclamation and treatment plants.

Water Consumption (Mgal)^[1]



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





HIGHLIGHT

AUSTRALIA'S POPE® BRAND WASTE MANAGEMENT PROGRAM

In Australia, our Pope® brand is participating in the Refreshed Waste Management Program (Refreshed). Refreshed is a comprehensive, national, color-coded bin recycling system helping to reduce the amount of facility waste sent to landfills by making it a last resort. The coded system—segregating waste by soft plastics, other recycling, composting and landfilling—is also successfully reducing overall waste generation and disposal costs.

Facility Waste

Reducing waste across our value chain includes overall waste minimization, reducing the amount of waste that is sent to landfills for disposal through more circular processes and the responsible sourcing and use of resources. Specific to our facility operations, MTR is helping us understand and manage where and how we generate and manage waste, and we are leveraging this understanding to identify improvement opportunities.

In manufacturing facilities, we reuse returned packaging from zero-turn and ride-on mowers, as well as steel, aluminum, plastics, cardboard and paper scraps, where possible. We also recycle resin moldings and packaging scrap and compost food waste at sites that offer food service options, where available. We work with our battery partner Call2Recycle to recycle lithium-ion batteries from Canadian and US manufacturing sites to ensure diversion of this waste stream from landfills. We also provide outreach and training to customers and dealers on battery recycling options.

Sustainable Facilities

Sustainable design is an integral TTC operational efficiency strategy used to inform the way we design and build both new facilities and those we retrofit or remodel.

Design guidelines cover sustainability considerations such as energy efficiency, water conservation, waste minimization and wellness. This might include low-impact and low-emissivity construction materials, more efficient heating and cooling systems and efficient and increased natural lighting. The results of our sustainable building efforts enable employee connections, productivity and space to work with fewer interruptions.

Additional site-specific green building features implemented at select sites include:

- 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

Our recent TTC headquarters expansion demonstrates our green building commitments by following Leadership in Energy and Environmental Design (LEED) recommendations. As we continue to renovate facilities and offices, we focus on creating healthier, sustainable efficient facilities that reduce environmental impacts.



APPENDIX

AWARDS AND RECOGNITION

TTC received several awards in fiscal 2020 and 2021 from multiple organizations in recognition of our product innovation, environmental leadership and community support. These include:

- U.S. EPA, WaterSense 2020 Excellence Award
- Association of Plastic Recyclers, 2022 Recycling Demand Champion
- The Home Depot, 2020 Supplier Partner of the Year (Indoor Garden Division)
- Tractor Supply Company, 2020 Innovation Partner of the Year and 2021 OmniChannel Partner of the Year
- Irrigation Association, 2020 New Product Winner (Agriculture Specialty Category): Toro Sweet Spot™ drip tape
- Irrigation Association, 2021 New Product Winner (Agriculture Irrigation Category): [TEMPUS™ Series Controller](#)

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



SASB INDEX: INDUSTRIAL MACHINERY AND GOODS

Code	Accounting Metric	Location or Direct Answer
Energy Management		
RT-IG-130a.1	(1) Total energy consumed	Operational Efficiency / Facility Energy Use
	(2) Percentage grid electricity	Operational Efficiency / Facility Energy Use
	(3) Percentage renewable	Operational Efficiency / Facility Energy Use
Employee Health and Safety		
RT-IG-320a.1	(1) Total recordable incident rate (TRIR)	Our Culture / Health and Safety Data
	(2) Fatality rate	Our Culture / Health and Safety Data
	(3) Near miss frequency rate (NMFR)	Our Culture / Health and Safety Data

Code	Accounting Metric	Location or Direct Answer
Fuel Economy and Emissions in Use-Phase		
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 non-road equipment	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
RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NO _x)	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. Environmental Protection Agency (EPA), California Air Resources Board (CARB), the European Union 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 _x), 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	TTC manages corporate risks associated with critical materials via the following policies and statements: <ul style="list-style-type: none"> ▪ The Toro Company Conflict Minerals Policy ▪ The Toro Company Supplier Manual, Section 1.4 Supplier Terms of Commerce
Remanufacturing Design and Services		
RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	\$9.6 million
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	About the Toro Company / TTC at a Glance

