



THE TORO  
COMPANY

# Supplier Manual



## **COMMITMENT TO QUALITY**

*The Toro Company is committed to providing quality products and services that are safe, meet applicable requirements and exceed customer expectations.*

# About The Toro Company

With roots dating back to 1914, The Toro Company was built on a tradition of quality and caring relationships. Today, the company is a leading worldwide provider of innovative solutions for the outdoor environment including turf and landscape maintenance, snow and ice management, underground utility construction, rental and specialty construction, and irrigation and outdoor lighting solutions.

Through a strong network of professional distributors, dealers, rental stores, and retailers in more than 125 countries, we proudly offer a wide range of products across a family of global brands to help golf courses, professional contractors, underground construction professionals, groundskeepers, agricultural growers, rental companies, government and educational institutions, and homeowners – in addition to many leading sports venues and historic sites around the world.



<p style="text-align: center;"><b>PURPOSE</b></p> <p>To help our customers enrich the beauty, productivity and sustainability of the land.</p>	<p style="text-align: center;"><b>VISION</b></p> <p>To be the most trusted leader in solutions for the outdoor environment. Every day. Everywhere.</p>	<p style="text-align: center;"><b>MISSION</b></p> <p>To deliver superior innovation and to deliver superior customer care.</p>
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**OUR GUIDING PRINCIPLES**

The Toro Company's success is founded on a long history of caring relationships based on trust and integrity. These relationships are the foundation on which we build market leadership with the best innovative products and solutions to make outdoor environments beautiful, productive and sustainable. We are entrusted to strengthen this legacy of excellence.

## Introduction

The Toro Company (TTC) is a customer-focused and process driven company. This Supplier Manual is intended to provide requirements and expectations to any supplier providing products and services to TTC.

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# 1 SCOPE

The requirements of this document apply to all suppliers that furnish product, material, processes, or product related services to TTC as a contractual requirement regardless of Supplier's industry, regulatory accreditation, or certification status. Each Supplier shall be responsible for ensuring that all members of its supply chain comply with the requirements set forth herein.

## 1.1 Reference Documents

Supplier shall adhere to the below referenced documents including, but not limited to:

- Confidentiality and Non-use Agreement
- Quality Manual
- Supplier Terms of Commerce (STOC)
- Master Supply Agreement (MSA), as directed by TTC
- Any future manuals as required

Toro reserves the right to add, remove, or modify manuals and reference documents as necessary.

# 2 AGREEMENTS

The following are standard agreements for TTC Suppliers:

## 2.1 Supplier Terms of Commerce (STOC)

TTC is committed to complying with applicable U.S. and international laws and regulations and expects every supplier to support that commitment. The Supplier Terms of Commerce outline standard business practices regarding restricted substances, conflict minerals, human rights and modern slavery, fair labor standards, anti-bribery practices, country of origin, customs, and tariffs, and invoice and packaging requirements, right of inspection.

## 2.2 Supplier Trade and Security Questionnaire (C-TPAT)

TTC is a certified member of the C-TPAT program and is committed to developing and implementing enhanced security procedures throughout our supply chain to prevent terrorism. All suppliers are required to complete and return the TTC C-TPAT Supplier Trade and Security Questionnaire. This was prepared based on C-TPAT Foreign Manufacturers Security Recommendations and includes general recommendations that should be followed by all suppliers.

## 2.3 Purchasing Documentation

TTC uses both discrete purchase orders (PO) and schedule agreements (SA) to purchase materials. The SA is a demand forecast, not a firm commitment to purchase. SAs do not authorize fabrication or procurement of raw materials.

Delivery information including dates, quantities, and ship-to locations are available on the discrete PO, or via the TTC Supplier portal. It is the supplier's responsibility to monitor delivery requirements through The TTC Supplier Portal and Purchase Order.

### 3 BUSINESS PROCESSES

#### 3.1 Preferred Supplier List

TTC categorizes each supplier within a preferred supplier list. Preferred suppliers are given priority for quoting new TTC business and other benefits. Supplier categorization is based on overall supplier performance including quality, delivery, price, payment terms, and conformance to business process requirements such as advanced shipping notifications, packaging, and invoice accuracy. A supplier's classification is evaluated regularly.

#### 3.2 Supplier Productivity Expectations

Suppliers will reduce costs through supplier-suggested productivity improvements. It is TTC's expectation that all suppliers will have an established Lean program to aggressively identify and eliminate waste via its lean process development. Lean principles need to be the foundation of your cost reduction efforts. Cost drivers include quality, price of non-conformance, cost reductions, continuous improvement, payment terms, working capital, and/or other means.

#### 3.3 Lean Manufacturing

TTC has pursued Lean Manufacturing for decades and recognizes that Lean supplier partnerships are critical to our success. TTC will promote practices with suppliers that align with Lean principles. Examples of these practices include smaller lot sizes, more frequent deliveries, supplier pull, and perfect order fulfillment.

#### 3.4 Cost Transparency

TTC encourages suppliers to communicate the key cost drivers for the products they supply. This will enable collaboration to identify cost saving opportunity and support identifying mutually beneficial solutions.

### 4 REQUESTS FOR QUOTATIONS

#### 4.1 RFQ Request for Quote

TTC will issue a Request for Quote (RFQ) as part of the design process to gain preliminary cost and lead time estimates for the purchasing decisions. Suppliers are expected to include in the RFQ:

- Exceptions to requirements that must be resolved before acceptance of the order
- Lead time in Working days for normal repeat orders
- Best price given the current design
- Packaging cost as appropriate

#### 4.2 Supplier Design Suggestions

When applicable, your re-design suggestions resulting from your DFM/DFMA review to improve the manufacturability of the product along with the revised quoted cost if these suggestions are included in the new design.

#### 4.3 Supplier Questions

If the supplier has questions, their first point of contact is the TTC buyer who sent the RFQ to them.



## 5 DELIVERY REQUIREMENTS

TTC expects the correct quantity of acceptable parts to be delivered in the correct packaging via the agreed upon transportation on the date they are due.

### 5.1 Advanced Shipping Notice (ASN)

Suppliers shall submit accurate and complete Advanced Shipping Notice (ASNs) providing detailed information about a pending delivery. Suppliers shall submit the ASN in The TTC Supplier Portal, or 856 EDI transaction, for all shipments. The correct carrier information is used by TTC's Logistics department to track freight invoices. Suppliers who do not comply or have low accuracy in this area will be contacted to drive improvement and may receive a quality notification for the defect.

### 5.2 Notification of changes in delivery dates or quantities

The Supplier must notify the Plant Materials planner (or Service Parts Analyst for Plymouth warehouse) of any changes in expected delivery dates or quantities at the soonest available time.

### 5.3 Responsibility for late or early shipments

Suppliers are responsible for the unplanned costs related to late or early shipments and may be charged back for those expenses (see Recovery Fees). Early shipments, in full or in part, are not allowed without permission from TTC and may result in a Quality Notification for return of the parts.

## 6 TRANSPORTATION

### 6.1 Material Weight/Class Information

Suppliers shall provide weight and class for all materials to the TTC Logistics department upon scheduling a delivery.

### 6.2 Routing Map/Matrix

A Routing Map/Matrix is provided to outline carrier information and preferences for inbound shipments. An explanation of the requirements can be found in the Routing Guidebook.

### 6.3 U.S. Customs

The Toro Company interacts with U.S. Customs and Border Protection on many levels, both as an Importer and Exporter and is committed to achieving full compliance on all U.S. Customs issues. TTC is subject to fines, penalties, additional duties, or possible loss of product for improper importation of products or insufficient documentation of the origin of such products.

### 6.4 Free Trade Agreements

Supplier shall deliver documentation or certificates as directed by Toro in accordance with Free Trade Agreements. Failure to comply with these requirements may result in fines and/or duties to TTC. All such fines and/or duties will be communicated to and may be passed on to the supplier.

### 6.5 Country of Origin Manufacturer's Affidavit

A Country of Origin (COO) Manufacturer's Affidavit is required for materials produced outside North America. Failure to comply with these requirements may result in fines and/or duties to TTC. All such fines and/or duties will be communicated to and may be passed on to the supplier.

## 7 PACKAGING AND LABELING REQUIREMENTS

Suppliers are required to adhere to TTC Supplier Packaging and Labeling Requirements. Additional Specific TTC Packaging requirements may be defined on the part prints, or in any form of Purchase Agreements. It is the supplier's responsibility to review these documents and the related TTC packaging standards to identify all applicable packaging requirements from the TTC Supplier Portal.

## 8 INVOICING AND PAYMENTS

### 8.1 Supplier Payments

Electronic methods (ACH, EFT, Wire, etc.) are TTC standard payment methods as this allows for efficient, secure, and swift receipt of funds. Payment by check is not an acceptable payment option.

### 8.2 Credit Memos

When materials are returned or an invoice is adjusted, a credit memo is required, otherwise a debit memo will be issued. For pricing issues, a full credit and rebill is preferred.

## 9 TOOLING

### 9.1 Tooling Labeling

All TTC owned tooling must be permanently marked as "Property of the Toro Company" and include permanent marking of the TTC tooling identification number and country of origin. When part size permits, every tool and cavity within the tool shall have a unique identifier of the tool number and cavity number.

### 9.2 Tooling Documentation

Tooling documentation must be provided to TTC for all TTC owned tooling and major modifications to existing TTC tools. This documentation must include a 3D model of the tool, a bill of materials, spare parts inventory requirements and a photograph which includes the TTC assigned tool number (TLxxxxxxx).

### 9.3 Tooling Preventative Maintenance

Suppliers are required to keep TTC owned tooling in their possession in good repair, good working order, and properly preserved from degradation (rust, etc.) through application of a documented preventative maintenance procedure.

### 9.4 Tooling Repair Approval

Suppliers are required to notify TTC when a TTC owned tool needs major repairs or replacement. Major repairs or replacement will require the prior approval in writing from TTC prior to repair or replacement.

### 9.5 Tooling Qualification

All new tooling, revised tooling, and major repairs to tooling must be qualified based on a full first article inspection per the TTC-PPAP process. Samples provided for PPAP will be at the supplier's expense.

### 9.6 Movement of Tooling

TTC reserves the right to move tooling at any time. Suppliers are not allowed to modify, destroy, or dispose of TTC owned tooling without the prior written approval of TTC.



## 9.7 Tooling Audits

TTC will perform periodic audits to ensure compliance to these tooling and maintenance requirements. Suppliers who do not adequately maintain and/or preserve tooling as required will be charged back for all repair or replacement costs of that tooling.

## 10 COMMUNICATIONS

### 10.1 TTC Supplier Portal

TTC has a portal for suppliers to enhance and streamline our supplier/TTC business processes. The TTC Supplier Portal is the portal for the two-way electronic business process communications with Suppliers. This includes viewing forecasts, handling RFQ's, purchasing documents, advanced shipping notifications, invoicing, etc. Use of the TTC Supplier Portal is mandatory for all direct and indirect suppliers.

### 10.2 Supplier Profile

The TTC Supplier Portal requires suppliers to maintain current key contact information for their organization. Crucial communication will be delayed or not delivered via e-mail if supplier profile email information is incorrect. It is the Supplier's responsibility to maintain and change these addresses as contacts change.

### 10.3 The Toro Company Portal

TTC suppliers can use the TTC Supplier Portal to view Engineering Drawings, Engineering Standards, review Quality Notifications, and submit COO regulatory information.

## 11 ENGINEERING PROCESSES

### 11.1 Change Control

It is the Supplier's responsibility to verify the revision level of all products prior to shipment.

### 11.2 Revision Level

The Purchase Order/Scheduling Agreement is updated with the current revision. The current engineering drawing is immediately available to the supplier on the TTC Supplier Portal.

### 11.3 Engineering Design Standards

TTC suppliers use the TTC Supplier Portal to view relevant design standards. It is the supplier's responsibility to be familiar with the appropriate TTC design standards.

### 11.4 Part Prints

The current revision of part prints is available on the TTC Supplier Portal. They are also embedded in the purchasing agreement visible in the TTC Supplier Portal. It is the supplier's responsibility to obtain prints.

## 12 POLICY STATEMENTS

### 12.1 Recovery Fees

TTC reserves the right to recover direct and indirect expenses associated with supply disruptions.

TTC is committed to maintaining a fair and responsible working relationship with suppliers while achieving justified and full reimbursement for supplier caused issues.

## 12.2 Escort Policy and Tour Request

TTC does not accept cold calls or walk in visits.

All visits must be scheduled in advance through their Sourcing representative. All visitors to any TTC facility must enter at the main lobby and be escorted by a TTC employee.

All visitors must comply with the requirements and office hours of the site they are visiting.

Photos are not allowed to be taken inside or outside of TTC facilities by a supplier without prior written approval.

## 12.3 Gift Policy

TTC discourages the giving and receiving of gifts between TTC and its business partners unless the gift is of minor value and of an advertising nature.

Gifts of any kind other than those of a minor advertising nature will not be kept by TTC or its employees. The giving and receiving of gifts of any value should be a rare occurrence and should not be allowed to become common practice.

TTC appreciates your continued compliance as we strive to further our ethical principles in the way we do business.

## Revision History

REV	DATE	SUMMARY OF CHANGE	SECTION	PARAGRAPH	CREATED BY
P	7/25/2023	General Update	ALL	ALL	J. Nelson
Q	5/1/2024	Revised Manual	ALL	ALL	R. Sullivan