



THE TORO
COMPANY

Change how the world works

Fiscal 2023 Sustainability Impact Report
Executive Summary



Change how the world works

Our world is continuously created by the hard work of people.

The parks that bring generations together. The sports grounds that host epic rivalries. The infrastructure that revitalizes communities. From our internet connection, to the water we all depend on, and even in our own backyards—it's all thanks to the people who rolled up their sleeves and got to work.

At The Toro Company, we believe that changing how we all work can change our world.

That's why we create high-performance products with a lower impact on the planet. It's why we create jobs that support communities, and services that connect them. We develop innovative, efficient, and reliable solutions that empower our customers to achieve more with fewer resources—less water, fuel, and waste.

By changing how we work, together we can enrich our communities, landscapes, and world.

We all want to live in a more beautiful and productive world.



The parks that bring generations together.



The sports grounds that host epic rivalries.



The infrastructure that revitalizes communities.

Cultivating a positive impact

At The Toro Company, we maintain a profound connection to, and responsibility for our environment. After all, it is where our products are utilized and trusted by our partners and customers in achieving their goals every day.

For over a century, we have embraced the duty of being good stewards of the land. Sustainability is not merely a concept for us; it is woven into our day-to-day operations, shaping how we approach the industries we support and innovate our market-leading products.

But that’s just the beginning. Throughout this report, you will see how the various facets of our company complement one another as we strive to fulfill our ambitious goals.

We have accomplished a great deal and we remain committed to delivering innovative solutions to the customers, industries, and communities we serve.

We acknowledge there is still more work to do, but we’re making steady progress on our journey.

Furthermore, we see an opportunity to strengthen our position as a market leader in positive change. We will continue to do things better for the good of our customers, investors, and the planet, by approaching resource management thoughtfully, and creating innovative solutions for our ever-changing world.

We believe that our care for communities and people, ingrained in the essence of our company, alongside our culture of no-compromise innovations, is what sets us apart from our competitors. By maintaining a positive relationship with the environment and those that inhabit it, not only can we be good stewards of resources, but we can also help preserve the landscapes we treasure for another 100 years and beyond.



Richard M. Olson
Chief Executive Officer

In the last year, we’ve been particularly proud of:

THE PROPEL PROGRAM

Preparing our next generation of talent for new leadership opportunities through The PROPEL Program.



FIRST TEE

Extending our 25-year commitment with First Tee, who help support teaching kids and teens life skills through golf, as well as making the game more accessible.



MINNESOTA CENTER FOR ELECTRIFICATION OPPORTUNITY

Launching a game-changing partnership at the Minnesota Center for Electrification Opportunity (MN CEO) to engage stakeholders and accelerate the adoption of electrification technologies in Minnesota.



Fiscal 2023 highlights

Our Impact Report includes insights from across the business to demonstrate our progress towards creating a better future. This report shows our commitment to maintaining the quality of our products, while reducing the cost to the planet.



6.7%

of fiscal 2023 total adjusted¹ motorized net sales are battery and hybrid powered products



48%

of our team have been with the company for more than five years



14.9%

increase in racially and ethnically diverse leaders in the U.S. and 2.5% increase of women in leadership positions globally since 2021



\$1.8M+

donated to philanthropic activities



7.9%

decrease in GHG emissions since 2019 baseline



10,000+

volunteer hours reported

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



U.S. EPA WaterSense Excellence Award—our 9th consecutive win

Newsweek

Newsweek's World's Most Trustworthy Companies



Fiscal 2025 sustainability goals



Product



People



Process



TARGETS

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

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

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

PERFORMANCE

The Toro Company strives to innovate for efficiency, prioritizing exceptional quality and problem-solving products. From design and innovation throughout the entire product life cycle, we deliver high-performance and efficient solutions, contributing to a more responsible future.

Valuing and recognizing our people has been a fundamental driver of our growth and success. We prioritize safety, employee growth, and well-being to retain and develop a skilled and diverse workforce. Our commitment to fostering an inclusive and engaging workplace extends to making a positive impact on personal lives and the communities we serve.

Our century-long tradition of delivering high-quality products is sustained through a commitment to continuous improvement. Our success relies on exceeding the expectations of our valued customers and partners, and embracing operational excellence, while reducing the cost of our operations to the planet.

Innovative solutions

Our mission is to be a positive force for change, prioritizing our customers and communities while delivering superior innovation and customer care.

Our portfolio of global brands creates an impact across the communities and ecosystems we serve,

Golf Courses

With a long tradition of supporting golf courses worldwide, we are proud to be the only company in the industry to offer both turf equipment and irrigation solutions – and we are a global market leader in both categories.

Rural & Agricultural

Rural and large acreage customers trust our brands to help tackle jobs around their properties, along with agricultural growers choosing our drip irrigation solutions to maximize water efficiency and realize substantial benefits in yield and crop quality.

Sports Fields

From professional sports venues worldwide to college and K-12 facilities, we support groundskeepers with a full line of equipment and irrigation solutions to maintain safe and consistent playing surfaces.

from precision irrigation systems to turf maintenance solutions and underground construction equipment.

We envision a future where our products transform landscapes, conserve resources, and nurture environments.

Recognizing our environmental responsibility, we are dedicated to ensuring that every product, partner, and process contributes to building a more resilient world.

Residential Neighborhoods

When it comes to caring for your yard, we give customers the ability to conquer and excel at every outdoor job imaginable, day in and day out, with solutions for every season.

Commercial

Across all seasons, we provide solutions to help professional contractors manage outdoor environments in residential and commercial settings – including snow and ice management equipment to restore order when winter weather brings chaos.



Greenspaces

Municipalities and other public entities trust in our brands and comprehensive line of turf maintenance, irrigation and snow and ice management solutions to keep parks, public greenspaces, and other outdoor environments safe and maintained for all to enjoy.

Underground Construction

With several leading underground construction brands, we offer the most comprehensive equipment lineup in the industry to help with the repair, rehab and installation of utilities, broadband, alternative energy buildouts and transportation infrastructure.

Navigating ESG: insights from our 2022 assessment

MATERIALITY ASSESSMENT

We conducted our latest materiality assessment in 2022. During the process, we engaged with the key stakeholders of our business upstream, in our own operations, and downstream to identify the most critical current and emerging environmental, social and governance (ESG) issues to consider as we advance our ESG strategy.

As we move forward, these priorities guide our management strategy and reporting, ensuring that we not only meet current expectations but also adapt to emerging challenges. For us, this is a dynamic, constantly evolving journey and these insights fuel our ongoing pursuit of positive ESG outcomes.



8 KEY FOCUS AREAS WERE IDENTIFIED:



**Energy use,
GHG emissions
& climate change**



**Water use &
conservation**



**Talent attraction,
retention &
development**



Innovation



**Diversity, Equity
& Inclusion (DEI)**



Product safety



**Employee safety,
health & wellness**



Supply chain

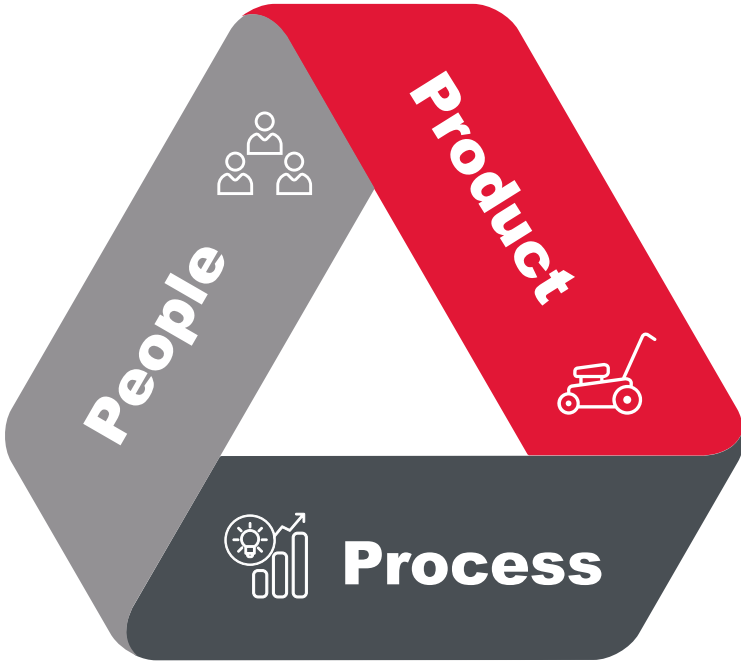
Our impact framework

ALIGNING VISION WITH ACTION

We value partner relationships that align with our mission, our ambitions in innovation, and our desire to advance positive impact – leaving the planet in a better way than we found it.

We take an integrated approach based on three pillars: product, people, and process. Our strategic intent and objectives are in line with the areas that are most important to our company and environmental effect, as well as the United Nations’ Sustainable Development Goals (SDGs).

This emphasizes our shared vision and worldwide obligations, paving the way for every action to have a meaningful, positive impact.



What are the UN SDGs? A set of global goals developed by the United Nations with the aim to confront the biggest issues affecting our world today.

	PRODUCT	PEOPLE	PROCESS
GOALS	<p>20%</p> <p>of total adjusted net sales to come from battery and hybrid products by 2025 (motorized product sales)</p>	<p>20%</p> <p>increase in women and racial and ethnic minorities in leadership by 2025¹</p>	<p>15%</p> <p>reduction in absolute Scope 1 and 2 greenhouse gas emissions by 2025²</p>
FOCUS AREAS	<ul style="list-style-type: none"> • Design & innovation • Raw material extraction • Manufacturing • Distribution • Product use • End of life 	<ul style="list-style-type: none"> • Safety • Health & wellness • Acquisition & retention • Diversity, equity & inclusion • Giving and community 	<ul style="list-style-type: none"> • Energy & emissions • Water • Supply chain • Waste • Sustainable buildings
UN SDGs			

1. From a 2021 baseline 2. From a 2019 baseline

Product life cycle

From concept to conservation

Our extensive product portfolio has the potential for significant impact, whether that's the scale of operations, resource consumption, waste emissions or biodiversity impact – it all adds up. While this poses challenges, it also offers a vast opportunity for innovation and impactful solutions.

We take a comprehensive approach to the entire life cycle of our products. Our commitment begins with conscious product design, where resource efficiency is prioritized from raw material extraction to end-of-life recycling and proper waste disposal.

To us, that means building durable and repairable products that stand the test of time—to maximize value for our customers, while minimizing waste at the end of the product's life.

Our focus on innovation drives the design process – we strive to ensure that each new product not only meets but exceeds standards and helps align us with the highest quality and safety benchmarks.



Product design

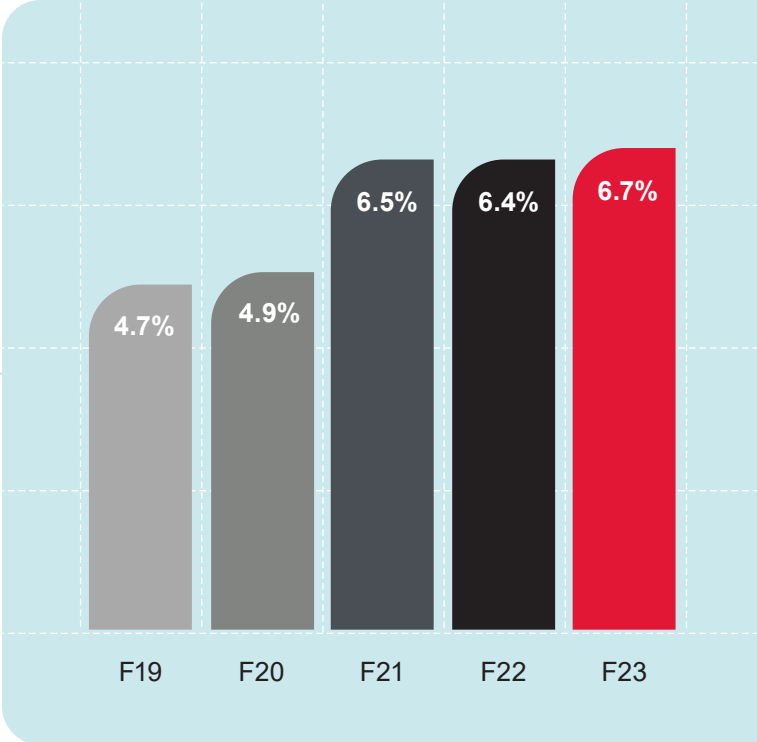
The Toro Company is driven to deliver high-performance and efficient solutions that contribute to a more responsible future, and we have set ambitious targets to marry this ambition with our corporate objectives. This year, while we are encouraged by an increase in battery and hybrid product sales, we recognize that we are trending short of our F25 target. We continue to evaluate our progress toward achieving this goal and are committed to building momentum in this space to meet the demands of our customers and other partners.



We don't make products, we solve problems. We have enough resources to do things that matter, but we're small enough to adapt. Change doesn't happen overnight, but we are receptive to the challenge it brings. We create a premium product that commands a premium price. We want to help our customers solve their problems, but we must prove and earn that premium.

Edric Funk, Group Vice President,
Golf, Grounds & Irrigation

PERCENTAGE OF SALES FROM BATTERY AND HYBRID PRODUCTS¹



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

Diversity, equity & inclusion

SHAPING OUR FUTURE

To us, the transformative power of diversity, equity, and inclusion (DEI) fosters new ideas, accelerates our growth, and strengthens our legacy through our connections with customers and communities.

Our commitment to creating a workplace that embraces individuals of various backgrounds, experiences, and perspectives is not just a core value, it's a strategic imperative. By creating a company culture and industry reputation that elevates collaboration, we can embrace individuality, and cultivate an authentic sense of belonging for all employees and customers.

We're working hard to foster a culture of inclusivity where every employee feels valued, heard, and empowered.

We promote equity and prohibit discrimination based on race, ethnicity, gender, sexual orientation, religion, age, disability, veteran status, and other protected characteristics. By fostering an inclusive environment, we ensure everyone feels valued, respected, and empowered to contribute fully.

EMBRACING DIVERSITY

We recognize that a diverse workforce brings a wealth of ideas and perspectives, driving innovation and excellence. Our initiatives aim to attract and celebrate talent from different ethnicities, genders, backgrounds, and abilities, ensuring that our workplace reflects the vibrant tapestry of the global community.

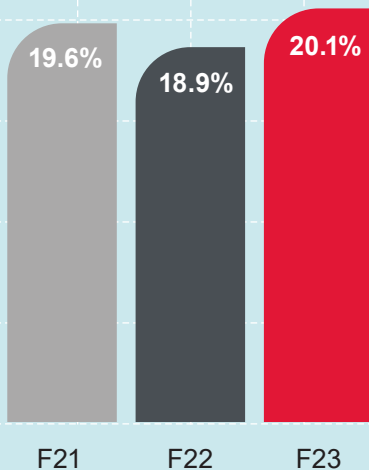


Culture and purpose are our defining differentiators. Our commitment to creating a positive impact sets us apart. By translating the meaningful work of our employees into a unique sustainability impact, we aim to win hearts and minds – both within our organization and among future talent. As advocates for our people and their opportunities, we strive to be a beacon of excellence and purpose in the industry.

Margeaux King, Vice President, Human Resources

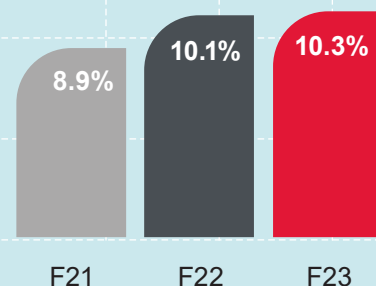
GENDER DIVERSITY

Representation of women in global leadership positions



RACE/ETHNICITY DIVERSITY

Representation of racial & ethnic minorities in U.S. leadership positions



PROMOTING EQUITY AND INCLUSION

Employee Resource Groups (ERGs) at The Toro Company, such as the Women’s Initiative Network (WIN) and Leading, Emerging & Advancing Professionals (LEAP), offer numerous benefits to employees and the organization. These groups provide a supportive community where members can connect, share experiences, and access mentorship opportunities, fostering an inclusive and empowering environment across the enterprise.

With a membership increase of over 30% since 2022, The Toro Company’s WIN successfully completed its first mentorship program in 2023. Additionally, it has launched initiatives to support women’s growth, such as trainings, volunteer events, and publishing a newsletter. Meanwhile, LEAP focuses on championing the development of early-career professionals by offering resources and networking opportunities to support their advancement. By promoting engagement, supporting diversity, and enhancing professional development, ERGs contribute to a more positive and productive workplace culture at The Toro Company.

We’re dedicated to breaking down barriers and creating opportunities for everyone to thrive at The Toro Company.

INVESTING IN THE FUTURE

At The Toro Company, we take immense pride in our internship program, which welcomed 86 paid interns across eight U.S. locations in 2023. These internships span various functions, including engineering, marketing, finance, and more. We view internships as invaluable opportunities for students to gain hands-on experience and for us to cultivate future talent in our industry.



Our dedication to promoting diversity and inclusion is supported by our Employee Resource Groups and internship programs. They go beyond merely attracting talent; they aim to nurture it, empowering individuals to thrive and succeed in our dynamic workplace. We believe that cultivating a strong company culture hinges on fostering a profound sense of belonging and a shared purpose.

Managing Director, Talent and Diversity, Equity & Inclusion

 <p>Expanding ERGs</p>	 <p>Mentorship</p>
 <p>Education</p>	 <p>Partnership with Giving and Community members</p>



Giving & community

A RICH HISTORY OF SUPPORTING OUR COMMUNITIES

Our commitment to our people lies at the foundation of the company, and nowhere is that more evident than in the way we give back and help enhance the global communities in which our employees live and work.

Through various community outreach programs, philanthropic initiatives, and volunteer efforts, The Toro Company actively engages in making a positive impact.

Scholarships



\$1.8M+

total philanthropic donations in Fiscal 2023

Volunteering



10,000+

volunteer hours logged

Equipment Donations



\$100,000+

equipment donations

Whether by supporting local schools, environmental conservation projects, or collaborating with nonprofit organizations, The Toro Company values its role as a partner to the people and places that need our products and support the most.

By investing in the well-being and development of communities, we continue to embody the spirit of giving and strive to create a lasting, positive influence.

The Toro Company Scholarship Program, established in 1976, provides awards ranging from \$1,000 to \$4,000 based on community involvement, honors, work experiences, leadership and academic record.

The Mike and Tami Hoffman Scholarship Program, established in 2017, provides tuition assistance based on financial need, funded by former CEO Mike Hoffman and his wife Tami.

\$230,000+
and 103 recipients

\$185,000+
and 63 recipients



Energy & emissions

We recognize the significant role of energy consumption and emissions in our environmental impact and the need to surpass compliance to achieve reduction goals. We actively seek opportunities for continuous improvement and operational excellence, integrating innovative technologies to enhance energy efficiency and align with environmental stewardship principles.

At The Toro Company, we're proud of recent sustainability efforts, including widespread LED lighting adoption in most facilities, resulting in cost savings and a notable reduction in our carbon footprint.

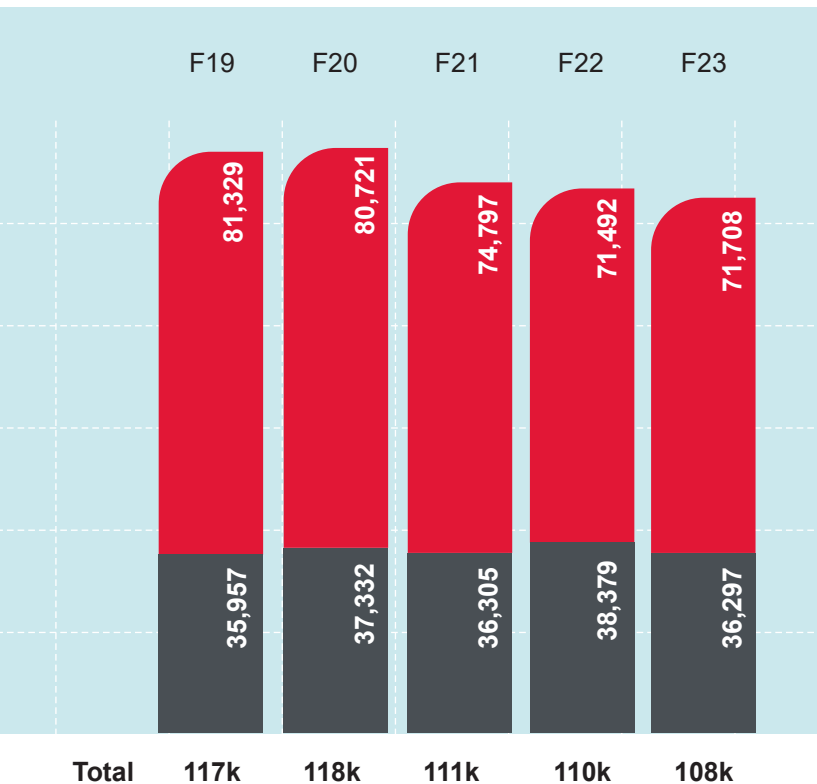
We are actively exploring ways to further improve the environmental friendliness of our operations, such as transitioning indoor equipment, like forklifts, to battery-powered alternatives, aligning with our commitment to greener practices and increased efficiency.

Additionally, we're implementing sub-metering systems at select locations to meticulously monitor energy consumption and identify areas for improvement. Looking ahead, we plan to expand this technology to bolster our energy management capabilities.

ABSOLUTE EMISSIONS

(MT CO₂e¹)

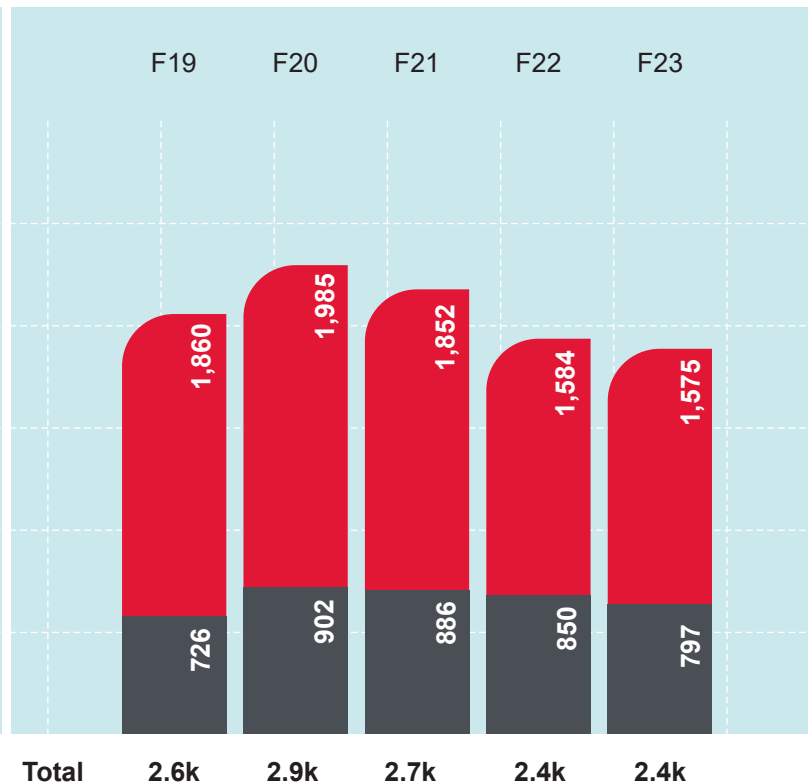
■ Scope 1 ■ Scope 2



TOTAL SCOPE 1 & 2 EMISSIONS INTENSITY

(kg CO₂e¹ per 100k sales)

■ Scope 1 ■ Scope 2



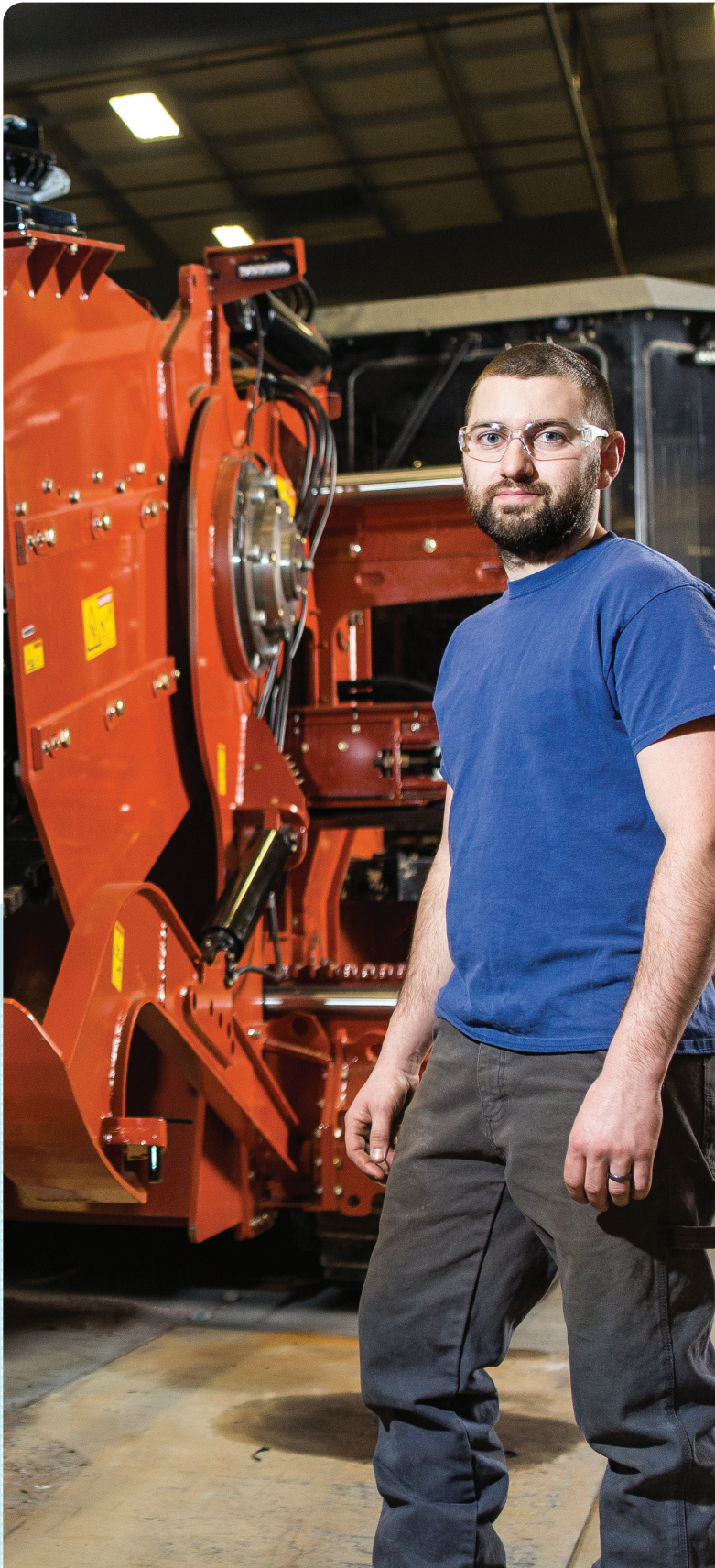
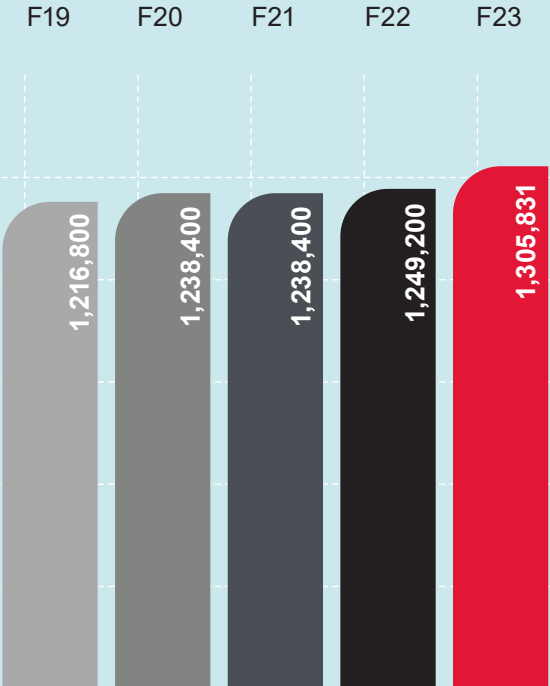
1. GHG emissions calculations include GHGs as applicable by variable per U.S. EPA for locations in the United States and per EcoInvent for all other worldwide locations. (CO₂, CH₄, N₂O)

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

Our focus extends to integrating renewable energy sources into our energy mix. Following energy practice assessments, we aim to develop a strategic roadmap for increased renewable incorporation into our operations over the long term.

These initiatives underscore our unwavering dedication to reducing our environmental impact while ensuring seamless facility operation. We remain committed to promoting sustainability across all aspects of our business operations, including scrutinizing our supply chain to identify emission reduction opportunities. By enhancing operational efficiency, we can effectively minimize our carbon footprint.

FACILITY ENERGY CONSUMPTION²
(GJ)



Ethics



Our Ethics Helpline operates 24/7, providing a confidential avenue for employees and stakeholders to voice concerns, and report unethical behavior, or suspected breaches of the Code. Concerns can be submitted anonymously via our secure online portal or through a telephone report. We strictly forbid any form of retaliation against individuals for expressing concerns or filing a report. In our commitment to uphold the highest ethical standards, we annually review the NAVEX Global Risk & Compliance Incident Management Benchmark Report in an effort to ensure our ethics management practices are in line with leading industry standards.

RESPONSIBLE SOURCING

For us, this extends to the broader concerns such as conflict materials, fair labor practices, and the prohibition of child and forced labor. Our Supplier Terms of Commerce and standalone Conflict Minerals Policy, Slavery and Human Trafficking Statement and Human Rights Policy embed responsible sourcing standards, reflecting our unwavering commitment to ethical business practices. We address non-compliance on a case-by-case basis, applying corrective actions or ending partnerships when necessary.

Priorities for fiscal 2024 and beyond

Our journey through the past year, as detailed in this report, reflects our unwavering commitment to changing how the world works. Each initiative from the last year underscores our dedication not only to innovation and excellence but also to fostering a sustainable future that benefits our communities, our customers, and the planet. As we look forward to 2024, some of our key ambitions include:

1. Pursue initiatives and investments that decrease GHG emissions, enhance sales of battery and hybrid products, and promote diversity through increased representation of women and racial and ethnic minorities in leadership roles.
2. Advance our commitment to sustainability by furthering our journey towards a renewable future through the adoption of renewable energy and innovations in electrification of products.
3. Continue to develop internal talent and build next-gen leaders for the future. Feeding the pipeline of multi-generational talent and equipping teams to be high-performing and deliver on ambition.
4. Grow our people in ways that benefit the individual, the communities they are part of, and the planet.

As we look forward, we are excited by the opportunities that lie ahead to further our impact and continue changing how the world works for the better.





THE TORO
COMPANY

We're pleased to share with you the third annual sustainability report from The Toro Company. The full report, available online at [thetorocompany.com/sustainability](https://www.thetorocompany.com/sustainability) highlights our operations, dedication to sustainability, community engagement, and investment in our workforce. Should you have any inquiries or wish to provide feedback regarding this executive summary or the full report, we welcome you to reach out to our Public Relations team at pr@toro.com

THE TORO COMPANY

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