

# The Toro Company

## Statement on Modern Slavery and Human Trafficking

The Toro Company and its subsidiaries (collectively “TTC”) strongly oppose modern slavery by any person or organization, including its business partners. Furthermore, as a manufacturer doing business globally, TTC is committed to compliance with all applicable laws prohibiting modern slavery. As used in this Statement, “modern slavery” encompasses forced labor, prison labor, indentured labor, bonded labor, debt servitude, state imposed forced labor, human trafficking, child labor and other similar conduct commonly thought of as modern slavery.

This consolidated Statement describes TTC’s efforts to mitigate the risks of modern slavery in its business and supply chains and relates to TTC’s fiscal year beginning November 1, 2021, and ended October 31, 2022. This Statement has been prepared pursuant to California’s Transparency in Supply Chains Act, the United Kingdom’s Modern Slavery Act and Australia’s Commonwealth Modern Slavery Act. We have common policies and compliance procedures relating to modern slavery across our businesses. However, not all of our group companies are subject to the Acts referred to above.

In order to prepare this joint statement, The Toro Company engaged with each of the reporting entities covered by this statement, including, but not limited to, Toro U.K. Limited and Toro Australia Group Sales Pty Limited, and consulted with the other entities we own or control.

### ***Our Business and Supply Chains***

TTC designs, manufactures, markets, and sells professional turf maintenance equipment and services; turf irrigation systems; landscaping equipment and lighting products; snow and ice management products; agricultural irrigation (“ag-irrigation”) systems; rental, specialty and underground construction equipment; and residential yard and snow thrower products. Our products are marketed and sold worldwide through a network of distributors, dealers, mass retailers, hardware retailers, equipment rental centers, home centers, as well as online (direct to end-users), under the primary trademarks of Toro®, Ditch Witch®, eXmark®, Spartan®, BOSS®, Ventrac®, American Augers®, Trenchor®, Pope®, Subsite®, HammerHead®, Radius®, PERROT®, Hayter®, Unique Lighting Systems®, Irritrol®, and Lawn-Boy®, most of which are registered in the United States (“U.S.”) and/or in the primary countries outside the U.S. where we market our products branded under such trademarks.

We focus on innovation and quality in our products, customer service, manufacturing, and marketing. Our manufacturing facilities are designed to provide efficient and flexible assembly-line manufacturing of our products. In addition to most final assembly, we have strategically identified specific core manufacturing competencies for vertical integration, such as injection molding, extrusion, welding, stamping, fabrication, laser cutting, painting, machining, and aluminum die casting, and have chosen outside vendors to provide other services, where applicable. We design component parts through collaboration with our vendors, contract with them for the development of tooling, and subsequently enter into agreements with such vendors to purchase component parts manufactured using the tooling. We also have some agreements with third-party manufacturers to manufacture certain standalone end-products on our behalf.

TTC purchases commodities, components, parts, and accessories for use in our manufacturing process and end-products or to be sold as stand-alone end-products. Our primary cost exposures for such items used in our products are with steel, aluminum, petroleum and natural gas-based resins, linerboard, copper, lead, rubber, engines, transmissions, transaxles, hydraulics, electrification components, and others. We purchase each type of these items from several suppliers around the world.

### ***Human Capital Resources and Management***

TTC believes our commitment to our human capital resources is key to our mission to deliver superior innovation and to deliver superior customer care. As part of our guiding principles, we believe our success is deeply rooted in caring relationships built on trust and integrity. We are committed to fostering a meaningful and enriching culture and engaging employee experience. We believe bringing more diversity to our workforce and our 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.

During the fiscal year 2022, TTC employed an average of 11,434 employees. A highlight of our commitment to employees is our Sustainability Endures initiative, which includes “People” as one of our three core “Pillars” that represent key areas of focus for our company.

Our commitment to the “People Pillar” consists of the following critical components:

- Employee Safety
  - TTC focuses on behavior-based activities that reinforce safety awareness and mitigate the likelihood of accidents before they occur: we utilize safety engagement activities that include supervisor-level training, safety advocacy studies, and interactive training sessions. We provide mandatory safety trainings each month in our production facilities, which are designed to focus on empowering our employees and supervisors with the knowledge and tools they need to make safe choices and to mitigate risks. Safety best practices are also regularly featured in our employees newsletters and town halls.
- Employee Engagement
  - TTC invests in its employees’ 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. We provide all employees with the opportunity to share their opinions and feedback on our culture through an engagement survey. Results of the survey are measured and analyzed to enhance the employee experience, promote employee retention, drive change and leverage the overall success of our organization.
- Talent Development
  - TTC provides all employees a wide range of professional development opportunities, both formal and informal, at all stages of their careers. In addition to on-the-job learning experiences, our employees have access to a variety of resources and modalities from on-demand courses, videos and books, to live virtual and in-person trainings.
- Health and Wellbeing
  - The health and wellbeing of our employees are critical to our success. We provide our employees with a variety of plans, programs and offerings to help address physical, emotional, financial, and mental wellbeing.
- Diversity, Equity and Inclusion
  - TTC recognizes that our best performance comes when our teams are diverse, and accordingly, diversity, equity and inclusion (“DEI”) is a core priority. TTC’s DEI Committee

is focused on nurturing an inclusive workspace, attracting and maintaining a diverse workforce, and impacting the communities and markets in which our employees live and work. A few of our DEI initiatives include the heritage and awareness months, a new grant program for advancing equitable communities and the inception of employee resource groups supporting, respectively, women and early-career professionals in the workforce.

- Total Rewards
  - TTC provides competitive and comprehensive total rewards offerings. These include competitive base salaries or wages, insurance benefits, paid time off, retirement savings, and other programs and plans to address employee health and wellbeing.
- Community Involvement
  - 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. Our efforts are based the four pillars of our “Sustainability Endures” initiative: 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.

More information about TTC’s Sustainability Endures initiative, including a link to our latest Corporate Sustainability Report, is available at <https://www.thetorocompany.com/sustainability/sustainability-endures>.

### ***Policies and Contractual Terms***

TTC’s **Human Rights Policy (Policy)**, available at [www.thetorocompany.com/sustainability/people](http://www.thetorocompany.com/sustainability/people), is informed by the principles of the United Nations’ Universal Declaration of Human Rights and reflects our values and commitments towards all human rights. Regarding involuntary labor, the Policy affirms our belief that all labor must be voluntary. The Policy emphasizes that we stand against all forms of child labor and forced labor including indentured labor, bonded labor, military labor, slave labor and any form of human trafficking. The Policy further states that we will not tolerate within our business or supply chain any act of recruiting, harboring, transporting, providing or obtaining a human being for compelled labor or other unlawful purposes and that we expect all of our business partners to comply with local labor and employment laws wherever they operate. Suppliers are required to acknowledge this Policy during their onboarding as a TTC supplier.

TTC’s **Code of Conduct (Code)**, available in multiple languages at [www.thetorocompany.com/ethics](http://www.thetorocompany.com/ethics), provides a framework for our actions and is the foundation of our partnership with TTC stakeholders – customers, suppliers, shareholders, communities, employees, and others. The Code requires all employees to conduct business with high moral, ethical and legal standards, and to comply with both the letter and spirit of the law, wherever and whenever we conduct business.

Among other things, the Code describes our commitment to complying with recognized health and safety standards, respecting diversity and inclusion, and maintaining a work environment that is free from intimidating, hostile and offensive behavior. The Code does not explicitly mention modern slavery. However, it is intended to provide a framework for ethical decision-making. Failure to comply with the Code and related TTC policies may result in disciplinary action up to and including termination of employment.

Our **Supplier Terms of Commerce (STOC)**, available at [www.thetorocompany.com/sustainability/process](http://www.thetorocompany.com/sustainability/process), affirm that TTC is committed to complying with all U.S. and international laws and regulations and expects its suppliers to support that commitment. Our suppliers are required 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 well-being of their employees. Moreover, TTC will not accept parts, components or products from any supplier that utilizes illegal child labor or convict, forced or indentured labor in any stage of the mining, production, manufacturing, contracting or subcontracting of the merchandise or any component thereof. The purchase agreements that TTC enters into with suppliers incorporate by reference the terms, requirements, protocols and processes in our STOC.

In accordance with the North Korea Sanctions Act of 2016, as amended by CAATSA Section 321(b), our STOC state that TTC expects our suppliers to implement policies and procedures to ensure that no North Korean labor is used anywhere in the supply chain of merchandise, or any component thereof, supplied to TTC. Moreover, our STOC take into account the 2021 U.S. Customs and Border Protection Withhold Release Order regarding cotton products produced in China's Xinjiang Uyghur Autonomous Region. In 2022, TTC started reviewing its processes and documents, including the STOC, to streamline compliance with the U.S. federal law, the Uyghur Forced Labor Prevention Act (UFLPA), that was signed into law on December 23, 2021. This law established a rebuttable presumption that the importation of any items mined, produced, or manufactured wholly, or in part, in China's Xinjiang Uyghur Autonomous Region, or produced by certain entities, is prohibited and that such items are not entitled to entry into the United States. TTC's efforts are further discussed under the heading "Due Diligence and Risk Assessment" below.

TTC suppliers are required to sign the STOC before they can become approved suppliers. In 2020, TTC began transitioning our suppliers to a new vendor management system. As part of this transition process, new and legacy TTC suppliers are required to agree to the terms, requirements, protocols and processes set forth in the current version of our STOC. Suppliers that do not comply with the expectations and requirements set forth in the STOC may be reviewed and evaluated accordingly for future business and sourcing decisions.

### ***Training***

TTC conducts annual Code of Conduct training and requires all employees to complete such training.

### ***Right of Inspection***

Our STOC gives TTC or its designated representative the right to conduct an on-site inspection of its suppliers' production facilities, scheduled in advance by agreement of the parties during regular business hours and conducted in a non-disruptive manner. Failure to comply or refusal of the TTC employee or designated representative to inspect may subject all outstanding orders to cancellation.

### ***Reporting Violations***

TTC provides multiple ways for its employees to ask for help regarding ethical concerns and to report any misconduct or suspected violation of the Code without fear of retaliation. TTC also has reporting mechanisms that can be used by suppliers, their workers and other third parties. Concerns or suspected violations of TTC's Supplier Terms of Commerce or Employee Code of Conduct can be reported

anonymously to Toro’s Ethics helpline website at <http://www.thetorocompany.com/ethicshelpline> or by making a confidential call to our ethics helpline, where the operators speak the local language, at:

Australia	1-800-955-174
Belgium	0-800-100-10, at the English prompt dial 800-850-7247
China	4006612175
Germany	0-800-225-5288, at the English prompt dial 1-800-850-7247
Italy	800-797121
Mexico	001-844-237-4647
Poland	00-800-151-0270
Romania	0800477041
United Kingdom	0808-234-9109
United States	1-800-850-7247

### ***Due Diligence and Risk Assessment***

The Toro Company conducted the following actions this reporting period to address our modern slavery risks:

- Continued to include considerations of modern slavery risks in our operations and supply chains under the “People Pillar” of our Sustainability Endures initiative.
- Continued implementing and troubleshooting our new vendor management system which requires new and legacy TTC suppliers to download, read, and acknowledge our Supplier Terms of Commerce, Human Rights Policy, the Statement on Modern Slavery and Human Trafficking, as well as to fill out the Supplier Trade and Security questionnaire, based on the Customs-Trade Partnership Against Terrorism (C-TPAT).
  - This process included reviewing the relevant steps in the supplier onboarding process, reorganizing several modules in the new vendor management system, as well as clarifying the language in those modules, in order to improve the communication with suppliers regarding TTC priorities and suppliers’ acknowledgement of the policies described above.
- Started evaluating and revising sourcing compliance processes and documents in order to integrate the UFLPA requirements into its existing framework.
  - These efforts, including tiered supplier heatmapping and the revision of the STOC, are ongoing as of this statement.

On December 23, 2021, the Uyghur Forced Labor Prevention Act (UFLPA) was signed into law. This law established a rebuttable presumption that the importation of any items mined, produced, or manufactured wholly or in part in China’s Xinjiang Uyghur Autonomous Region, or produced by certain entities, is prohibited and that such items are not entitled to entry into the United States. This rebuttable presumption went into effect on June 21, 2022. Following the adoption of the UFLPA, TTC has been tracking the strategy and enforcement priorities announced by the interagency Forced Labor Enforcement Task Force and the U.S. Customs and Border Protection (CBP). TTC initiated a review of documents and processes in order to ensure compliance with the new law and the CBP enforcement priorities. TTC experts from our Sourcing, Global Trade Compliance, and Legal Departments meet regularly to review the existing frameworks and processes, to understand and assess the specific risks that may be present in our operations and supply chains, and to decide which measures may be able to most adequately address our compliance needs and priorities.

As a longstanding member of the Customs-Trade Partnership Against Terrorism (C-TPAT), TTC annually renews its commitment to the trade and security policies and priorities of C-TPAT. These commitments include a focus on prevention of forced labor within the supply chain. Our Sourcing and Global Trade Compliance Departments initiated a tiered risk assessment of TTC's sourcing in China. These efforts, as well as the review and revision of the STOC, are ongoing.

TTC continues to focus on gaining a better understanding of our modern slavery risks and improving our ability to assess the effectiveness of the measures we take. We are committed to developing and reviewing frameworks and processes to ensure the effectiveness of our actions to assess and address modern slavery risks in our operations and supply chain.

Solely for purposes of compliance with the UK Modern Slavery Act, this Statement has been approved by the Toro U.K. Limited Board of Directors, on April 10, 2023, and signed by a director of that entity on the date indicated below.

**TORO U.K. LIMITED**

Date: April 10, 2023

By:           *Darren Lock*          

Darren Lock

Director

Solely for purposes of compliance with Australia’s Commonwealth Modern Slavery Act, this Statement has been approved by the Toro Australia Pty Limited Board of Directors, on April 10, 2023, and signed by a director of that entity on the date indicated below.

Toro Australia Pty Limited is a wholly-owned subsidiary of The Toro Company with its headquarters located in Beverley, South Australia. Toro Australia Pty Limited is a manufacturing entity and owns 100% of Toro Australia Group Sales Pty Limited (“Toro Australia”). The latter sales entity is also based in Beverley and maintains sales offices and distribution centers across Australia. During this reporting period, Toro Australia Pty Limited employed an average of 231 employees, while the sales entity employed an average of 46 staff. There are no retail stores, Toro Australia sells direct, through commercial dealers, and mass merchants. Toro Australia sells POPE® products in Australia and overseas; it sources components from suppliers globally.

**TORO AUSTRALIA PTY LIMITED**

Date: April 10, 2023

By: Laurence Bingham

Laurence Bingham

Director