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Part of the fun of riding a Polaris vehicle is enjoying the beauty and splendor of the great outdoors—whether it’s a rancher using a RANGER® Off-Road Vehicle to mend a fence, friends touring the country on their Indian® motorcycles, or enthusiasts testing their skills on 800 PRO RMK® snowmobiles in deep powder.

These experiences are made possible by the dedication, innovation and hard work of Polaris employees around the world. To ensure riders can continue to enjoy these experiences, we recognize we must be good environmental stewards in all that we do. We take this obligation very seriously, and have worked diligently to increase our electric vehicle offerings, improve the energy efficiency and safety of our facilities, make trails safer, and encourage environmentally responsible riding.

Over the past three years, we have been collecting data to provide a baseline for measuring the impact of our environmental stewardship efforts. This debut 2015 Stewardship Report highlights that benchmark performance. Building from this data, we will work to establish future performance goals that will be tracked and reported annually in our Stewardship Reports. This report and additional information can be found on our Stewardship website.

We are proud, and determined, to do our part toward creating an ever-safer and more-sustainable environment for future generations of Polaris customers.

Scott W. Wine
Chairman and Chief Executive Officer
Governance and Ethics

**Instilling a Code of Conduct**
All of us at Polaris are committed to promoting and practicing ethical and legal business conduct. Our Code of Conduct highlights the important standards that underlie our business ethics. It serves as a guideline for our employees, officers, Board of Directors and partners—so everyone associated with Polaris understands what is expected of them when conducting the business affairs of the company. The Code also provides multiple mechanisms for reporting violations, including the ability to report violations anonymously. All new employees go through Code of Conduct training, and then annually review it and are certified.

>> View our Code of Conduct

**Conflict Minerals Policy**
In 2013, we implemented a Conflict Minerals Policy in support of the humanitarian goal to end the violence and human rights violations in the Democratic Republic of Congo and its nine neighboring countries (DRC). Under our policy, we strive to have a supply chain free of Conflict Minerals, including tantalum, tin, tungsten and gold sourced from the DRC.

We’re also committed to working with our suppliers to increase transparency by identifying any products supplied to us that contain Conflict Minerals at issue in the DRC, and to ensure that the source of any such products are certified to be “conflict free” by an independent third-party.

>> View our Conflict Minerals Policy
Facilities

The greenhouse gas (GHG) data on the next page is for the 26 material facilities identified in our 2015 annual 10-K report filed with the U.S. Securities and Exchange Commission (SEC). The facilities include manufacturing, research and development, wholegoods, warehouse and office buildings. The 13 facilities shown below account for virtually all our GHG emissions.
Reducing Our Environmental Impact

Energy Consumption and Greenhouse Gas Emissions

These charts summarize our energy usage in gigajoules (GJ), and the total quantified direct and indirect greenhouse gas (GHG) emissions from our facilities. Carbon dioxide, methane and nitrous oxide are all reported as CO2 equivalent (CO2e). Approximately 96 percent of the GHG emissions are related to energy use, primarily natural gas and electricity. The remaining 4 percent is attributable to refrigerant and gasoline usage at the facilities.

Not included are Scope 3 emissions, including indirect emissions from transportation, purchased materials, and emissions from company and consumer use of individual vehicles.

Direct and Indirect Energy Consumption in gigajoules (GJ)

Greenhouse Gas Emissions from Facilities in metric tons CO2e
Reducing Our Environmental Impact

Waste Material Recycling

Our major manufacturing facilities in Minnesota, Wisconsin, Iowa, Mexico and Poland recycled a combined total of more than 15,000 metric tons of materials annually in both 2014 and 2015. This includes the recycling of metal, plastic, paper products, wood products and other materials.

Reduced Expendable Materials by 50 Tons Annually

We transport our production engines and finished wholegood vehicles in returnable steel containers made from recycled steel. As a result, we reduce our consumption of expendable materials, such as wood and cardboard, by more than 50 metric tons each year. The returnable steel containers are recycled at the end of their useful life.

Reused and Recycled More than 300 Tons of Plastic

Our plastic injection molding operations in Roseau, Minnesota and Monterrey, Mexico together reused and recycled more than 300 metric tons of plastic annually in both 2014 and 2015. These facilities capture, regrind and reuse most excess plastic from the injection molding machines. Any plastic that can’t be reused is recycled.

Reduced Paper Usage 15 Percent Across Offices

By shifting printers at our U.S. office locations from a direct-network to a cloud-based system that requires access credentials, we increased accountability and efficiency of paper usage in 2015. As a result, we reduced paper consumption 15 percent in the first year of implementation.

Reduced HDPE in Bags by 10 Percent

Our Parts, Garments and Accessories (PG&A) business continually reviews packaging for opportunities to make it more efficient. One example is the bags we use to protect apparel during shipping. For years, we’ve used high-density polyethylene (HDPE) bags that are 100 percent recyclable, and we recently switched to a bag with 10 percent less HDPE.
Reducing Our Environmental Impact

Facility Design

Beginning in 2004 with our state-of-the-art research and development (R&D) facility in Wyoming, Minnesota, we’ve been incorporating energy efficiency and environmental stewardship into our new building design. Here’s a snapshot of two facilities:

**Wyoming, Minnesota R&D Facility: LEED Certified**

When it opened, the facility received the coveted Leadership in Energy and Environmental Design (LEED) certification for new construction, with environmentally friendly design features such as:

- Large windows and rooftop monitors to harvest natural light for use indoors.
- Use of local materials manufactured within 500 miles of the site.
- Low-flow plumbing fixtures to reduce water consumption.
- Energy Star-rated roofing system.
- Storm water management system that meets the U.S. Environmental Protection Agency (EPA) best management practices.

As a result of its sustainable design, our Wyoming facility conserved more than 340 tons of construction materials that otherwise would have ended up in landfills. And it was designed to use approximately 188,400 fewer gallons of water per year and less energy than similar facilities without environmental features.

When we doubled the size of the facility in 2013, we again partnered with the original building contractor and adopted similar sustainable construction features, including:

- High-efficiency boilers and rooftop units.
- Hot-water radiant heat.
- Skylights for natural light.
- A white roof to reduce heat loads in summer.
- Centralized building controls for heating, cooling and lighting.
- A rainwater recapture irrigation system and native plants for water-efficient landscaping.

Energy Efficient Buildings

To reduce energy consumption at our three office buildings in Minnesota, we incorporate numerous energy-efficient practices. They include:

- Centrally controlled building management for efficient cooling and heating during both occupied and unoccupied times.
- Chillers and air handling units regulated based on outside air temperature vs. preset temperature.
- Occupancy sensors, timers and LED lights to reduce lighting-related electricity consumption.
- Low-flush toilets, sensor faucets, timers and rain-sensor controlled irrigation to reduce water consumption.
Reducing Our Environmental Impact

Facility Design continued

Huntsville, Alabama Manufacturing Facility: Leveraging the Latest Technologies

Our Huntsville plant, scheduled to begin production in Second Quarter 2016, also includes numerous sustainability features, including:

- More than 450 sensor-equipped, daylight-harvesting skylights to reduce energy consumption in production areas by 16 percent annually.
- Our most energy-efficient welding operation to date, thanks to a more efficient pulse welding technology that reduces energy consumption by 18 percent annually. The new welding equipment also includes an air cleaning system that recirculates filtered air inside the building—eliminating the heating/cooling loss associated with discharging air outside.

- A robust recycling program for wood, plastic, steel and cardboard. By recycling and sending our solid waste to an energy-from-waste facility—we’ll significantly reduce our industrial landfill waste.
- Delineating and protecting wetlands on the property in partnership with the local Army Corps of Engineers. Environmental conservation measures include two stormwater retention ponds to capture and slow stormwater runoff, mitigating erosion in the wetlands.
- Returning nearly 177 acres of former farmland on the property to a more natural state to provide native wildlife habitat, in partnership with the Alabama Department of Natural Resources.

Our Huntsville facility, shown in this artist’s rendering and scheduled to begin production in Second Quarter 2016, was designed with numerous sustainability features to help protect the environment.
Reducing Our Environmental Impact

Product Design

Over the past five years—through both acquisitions and internal development—we’ve made significant investments in electric vehicles as an alternative to fossil-fuel-powered vehicles. Today, our extensive global electric vehicle offerings include:

**GEM® Electric Vehicles**

These low-speed electric vehicles are used by colleges and universities, hotels and resorts, cities, and large corporate campuses to move people around facility grounds quietly and comfortably with zero emissions. In 2015, we redesigned the GEM platform to fit more passengers in the same compact footprint.

![GEM Electric Vehicles](image)

~50,000 GEM vehicles sold = ~20 million gallons of gas saved

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**Victory® Empulse® TT**

In 2015, we were the first major powersports manufacturer to introduce a production-ready electric motorcycle. We demonstrated the engine’s capability by taking third at the prestigious 2015 Isle of Man TT Zero race—the fastest finish by any U.S. electric motorcycle.

>> See the race video

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**RANGER® EV Li-Ion**

*Polaris Pursuit® Camo*

Six years after we launched our first zero-emission, lead-acid battery electric RANGER®, we introduced the industry’s first lithium-ion battery utility vehicle in 2015. It offers three times the battery lifespan.
Reducing Our Environmental Impact

**Product Design continued**

**eAixam™ Personal Quadricycles**
These electric four-wheel, on-road enclosed vehicles are lightweight and low speed. They’re sold in Europe, where some countries allow them to be operated with a special non-automotive driver’s license.

**Goupil® and Mega® Light-Duty Haulers**
Our two brands of electric light-duty haulers serve the European commercial market. The vehicles are primarily used by cities, airports and delivery companies that want a silent, non-polluting, low-maintenance vehicle.

**Taylor-Dunn® Industrial Vehicles**
In early 2016, we acquired this leading provider of industrial vehicles, serving a broad range of commercial, manufacturing, warehouse and ground-support customers. Nearly 95 percent of its 80 models are electric.
Reducing Our Environmental Impact

Employee Involvement

The passion of Polaris employees is and always will be our greatest asset. In 2015, we directed that passion towards continuous improvement by launching the Polaris Value Improvement Process (VIP).

The VIP program provides a framework and toolbox for employees to submit ideas for improving the quality, delivery and cost of Polaris products and services. Employee proposals are selected and prioritized based on their impact on operations, with special tracking on proposals that improve safety, reduce consumption or decrease waste. Employees whose projects are selected and completed are eligible for quarterly VIP Recognition Awards. We’ll report on our stewardship-related VIP project results in the 2016 edition of our annual Stewardship Report.
Making Our Facilities Safe for Employees

Over the past five years, we’ve made significant progress toward improving the safety of our workplace—with a 79 percent improvement in our Total Recordable Incident Rate (TRIR) from 2011 to 2015. We’re proud of our long-term progress, but we’re disappointed we didn’t achieve a year-over-year reduction in 2015. We recognize we can do better to ensure that every employee at Polaris goes home harm-free every day.

Moving forward, we’re adding process standardization and building on our efforts to make Polaris a safer, more efficient and sustainable organization. Our Environment, Health and Safety (EHS) strategic focus areas include:

- Developing stronger safety leaders
- Building talent and technical capabilities across the company
- Developing robust standardized processes
- Increasing our deployment and verification capabilities
- Increasing recognition for our team’s safe behaviors, work efforts and accomplishments

As part of our efforts to reduce incidents, we’ve also begun the rollout of a Focus on LIFE (Life-altering Incidents and Failure-cause Elimination) strategy designed to identify and eliminate life-altering hazards. LIFE focuses on ensuring the integrity of our safety processes, identifying and eliminating risk factors leading to incidents and, if incidents happen, learning from them to prevent future incidents. We’re on target to roll out the first Focus on LIFE Enabler—Deployment of Pre-Job Hazard Assessments for Non Routine Work—that focuses on identifying and assessing hazards on non-routine work before they begin, so those hazards can be mitigated or removed.

As an organization, our aspiration is zero injuries to our employees. We’re confident that with the talent and conviction of our employees, we can improve our TRIR rates in 2016 and, ultimately, build a world-class safety culture that strives to prevent all workplace injuries.
Making Our Communities Stronger

Our continuing success is dependent on having strong communities in which to live, work and play. In 2015, Polaris and the Polaris Foundation donated more than $3 million in monetary and product donations. Our donations focus on three key areas:

**Youth Safety**

Through an exclusive partnership with the Boy Scouts of America, we help introduce Scouts to off-roading with an emphasis on safety, responsible riding and respect for the environment. In 2015, more than 3,700 Scouts were trained in safe-riding practices and more than 36,000 were exposed to our safety message. We have a similar partnership with 4-H, in which we sponsor traveling safety classrooms.

**The Environment and Trail Preservation**

Polaris and the Polaris Foundation support organizations that promote responsible use of trails and respect for the environment. Examples of our support include:

- In 2015, more than 600 Boy Scouts participated in trail conservation projects.
- In 2015, we partnered with the National Off-Highway Vehicle Conservation Council (NOHVCC) to produce the first-of-its kind trail-building guide. “Great Trails” provides guidelines for designing quality off-highway vehicle trail systems that are sustainable and fun.
- Since Polaris launched our T.R.A.I.L.S. Grant Program in 2006, we’ve donated more than $1.7 million to Snow and Off-Road Vehicle (ORV) associations to ensure the future of safe, legal and accessible riding. In 2015, we awarded our 200th grant.

**Community Development**

The pinnacle of our community development giving is our support of the Twin Cities United Way. In 2015, almost 99 percent of our Twin Cities’ employees participated in our annual United Way campaign.

We also donate vehicles to The Salvation Army for use in disasters. The “Polaris Rescue and Relief Fleet” includes vehicles strategically located around the country so they can be mobilized quickly following any type of disaster. The vehicles are instrumental in transporting food, water and medical supplies to those in need.

>> View the Polaris Foundation website