



POLARIS

DRIVEN

TO LEAD AS A STRONG CORPORATE CITIZEN



POLARIS[®]

2017 STEWARDSHIP REPORT



CORPORATE STEWARDSHIP: Essential to All We Do—and the Right Thing to Do

We are proud of the millions of vehicles Polaris made in our first six decades, but it is the experiences we create, the passion we inspire, the lives that we enhance and the good that we do that defines and motivates us. Our focus on corporate stewardship is based on an unwavering commitment to embody safety and ethics in everything we do, while making a difference in the lives of our customers, employees, local communities and the environment.

Between the nature of our products and how they are used, we have a longstanding commitment to the outdoor lifestyle we all know and love. We believe in introducing people to the outdoor experience, so that many, not just a few, can enjoy the natural world around us. Moreover, we minimize the environmental impact of our manufacturing footprint on the great outdoors. In support of these commitments, we have set forth three measurable and time-bound **Environmental Sustainability** goals. By 2022, we are striving to achieve:

- 5% reduction in greenhouse gas generation

- 5% improvement in overall energy efficiency
- 15% of energy portfolio driven by renewable energy

Safety and Quality considers everything from designing and building high quality products for our customers, to fostering safe working environments for our employees. Our focus is on safe operations in every Polaris location, and we have set out to:

- Achieve and maintain a Total Recordable Incident Rate of at or less than 1.2 by 2022

We seek to serve our thousands of hardworking **Employees** in other ways as well. Hiring and developing the Best Team in Powersports has always been one of Polaris' greatest strengths, and we believe in creating a welcoming, respectful, inclusive and engaging workplace that offers the tools and opportunities our employees need to experience rewarding long-term careers.


Supporting the **Communities** where we live, work, and ride is ingrained in our culture. From donating millions of dollars to various charities and encouraging safe and responsible outdoor activity, to supporting a wide variety of programs for veterans, Polaris strives to ensure that each of our worldwide locations give back and become a valued neighbor.

Our corporate stewardship strategy helps chart Polaris' course from a moral perspective, but it also provides a competitive advantage by creating value and serving the best interests of every stakeholder. We look forward to continuing our journey for decades to come.

Respectfully,

Scott W. Wine

Chairman and Chief Executive Officer



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VISION

Fuel the passion of riders, workers and outdoor enthusiasts around the world by delivering innovative, high-quality vehicles, products, services and experiences that enrich their lives.

POLARIS INDUSTRIES INC.
FOUNDED IN



1954

PRODUCTS

- All-Terrain Vehicles (ATV)
- Side-by-Side Vehicles (SxS)
- Commercial Utility Vehicles (UTV)
- Light-Duty Haulers
- People Movers
- Personal Quadricycles
- Snowmobiles
- Mid-Size and Heavyweight Motorcycles
- Moto-Roadsters
- Ultra-Light Tactical Vehicles
- Parts, Garments and Accessories (PGGA)
- Jeep and Truck Aftermarket Accessories

BUSINESSES



Off-Road Vehicles (ORV)
& Snowmobiles

Motorcycles

Global Adjacent Markets

Aftermarket



EMPLOYEES
Approximately

~12,000



COUNTRIES SERVED

100+

HEADQUARTERS

Medina, Minnesota



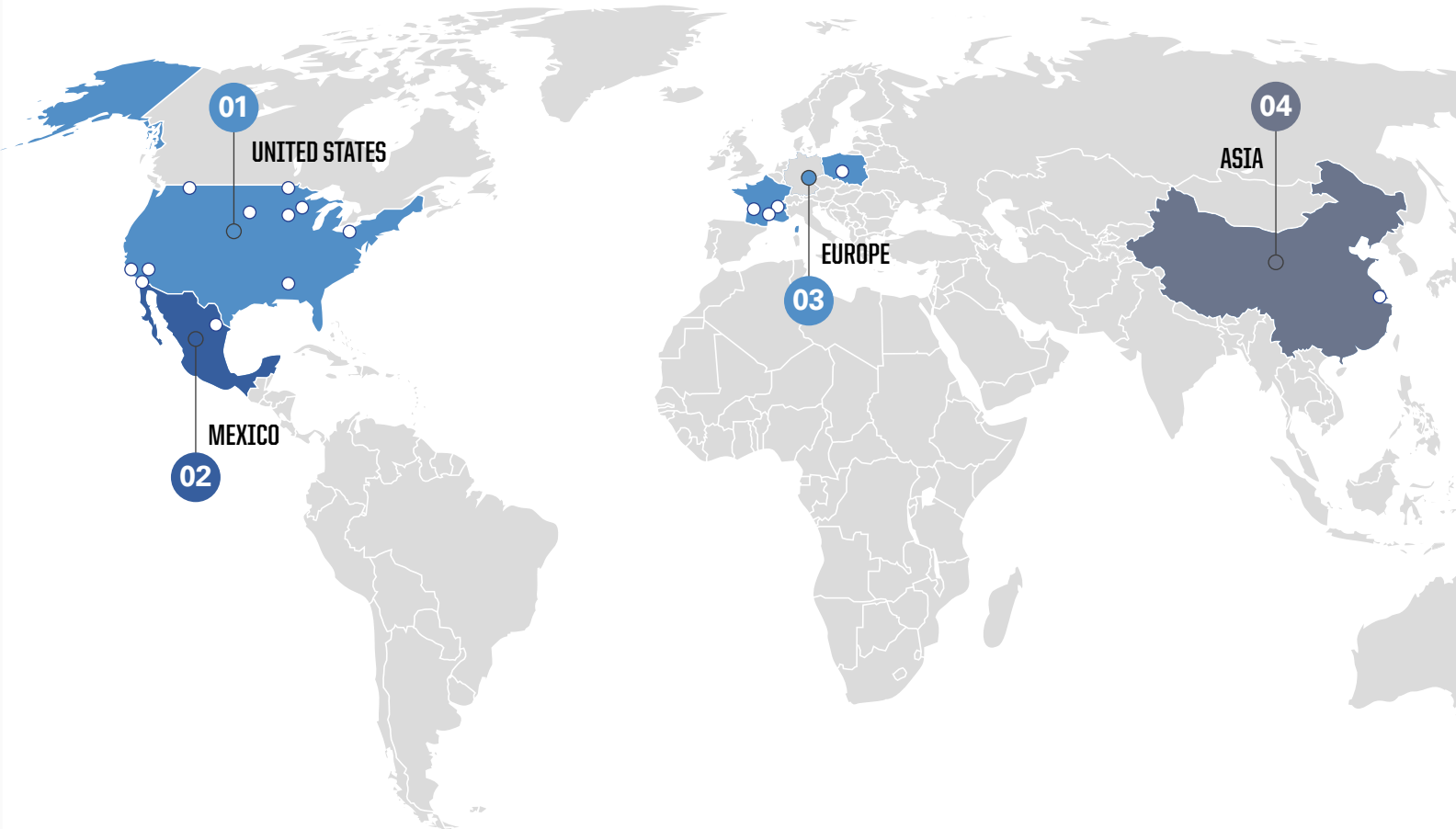
2017 SALES

\$5.4 BILLION

NYSE SYMBOL

PTI

GLOBAL MANUFACTURING



01 UNITED STATES

Huntsville, Alabama
SxS, Slingshot

Anaheim, California
Taylor-Dunn, GEM

Banning, California
Transamerican Auto Parts

Chula Vista, California
Transamerican Auto Parts, Pro Armor

Sandpoint, Idaho
Timbersled

Spirit Lake, Iowa
Motorcycles

Roseau, Minnesota
Snow, ATV, MRZR

Cuyahoga Falls, Ohio
Kolpin

Spearfish, South Dakota
Motorcycle Paint

Osceola, Wisconsin
Engines

02 MEXICO

Monterrey, Mexico
SxS, Engines

03 EUROPE

Aix-les-Bains, France
Aixam

Bourran, France
Goupil

Chanas, France
Aixam

Opole, Poland
ATV, SxS

04 ASIA

Shanghai, China
Hammerhead

DEMANDING THE BEST

At Polaris, we are focused on winning the right way, every day. This belief is central to our guiding principle of *Safety and Ethics Always*. This principle applies to every corner of our company - no matter an employee's role or area of our business.



We aim to hold ourselves — and those who support our business — to the highest ethical standards, and we are committed to promoting and practicing ethical and legal business conduct.

Polaris Code of Conduct

The Code of Business Conduct and Ethics summarizes the most important standards that we expect from ourselves and our business partners in order to further this principle.

The Code applies to all employees, Board members, and anyone contracted on our behalf around the world. As we pursue our goal to be the global leader in “Powersports Plus,” we rely on the Code to provide a consistent basis on which to conduct our business in a legal and ethical manner. The policies set forth in the Code clarify expectations for everyone, no matter the role or geographic location.

Polaris’ commitment to maintaining its reputation as an ethical corporate citizen means acting responsibly, even during challenging times. To ensure that the company stays on the right path, the Code provides multiple mechanisms for reporting violations, including anonymous reporting options through our EthicsPoint Hotline. Available 24 hours a day and 365 days a year, EthicsPoint is managed by an independent third party provider and is accessible to our global employee base.

As it has in the past, the Code will continue to direct our approach to the job and drive behaviors that set the stage for achieving our goals.

[View our Code of Conduct](#)

Supplier Code of Conduct

Suppliers are a vital and valued extension of Polaris. That is why our focus on ethics, integrity and responsible business operations extends to our supply base as well.

We expect all suppliers to share our commitment and conduct business in a socially and environmentally responsible manner. Our Supplier Code of Conduct is aimed at promoting responsible business practices and standardizing our expectations throughout our global supply chain.

[View our Supplier Code of Conduct](#)

Conflict Minerals Policy

Since 2013, Polaris has supported the humanitarian goal to end violence and human rights violations in the Democratic Republic of Congo (DRC) through our Conflict Minerals Policy.

Conflict minerals include tantalum, tin, tungsten and gold. We work with our suppliers to increase transparency regarding the origin of minerals contained in our products, requiring each of them to undertake reasonable due diligence to identify any products supplied to us that contain conflict minerals sourced from the DRC and nine adjoining countries. Whenever this is the case, the mines and smelters identified must be certified as “conflict free” by an independent third party for Polaris to continue sourcing from that supplier.

[View our Conflict Minerals Policy](#)

UK Modern Slavery Act 2015

The U.K. Modern Slavery Act of 2015 requires companies carrying on business in the U.K. to publish a statement describing steps taken to ensure modern forms of slavery and human trafficking are not taking place in the company’s business operations and supply chains.

[Read Polaris’ Modern Slavery Act Transparency Statement.](#)

REDUCING OUR IMPACT

Polaris aims to fuel the passion of riders and outdoor enthusiasts across the globe. And to that end, we recognize the importance of using resources responsibly and supporting efforts to ensure that the incredible adventures our riders love are around for the riders of tomorrow.



GOAL 1:

5% REDUCTION
IN GREENHOUSE
GAS GENERATION BY **2022***

GOAL 2:

5% IMPROVEMENT
IN OVERALL
ENERGY EFFICIENCY BY **2022***

During 2017, we set three key measurable goals designed to improve our efficiency and reduce the environmental impact of our operations, which are outlined below. To get there, we have partnered with CustomerFirst Renewables, an organization to support our strategic energy efficiency efforts and help us to not only achieve but exceed the goals we have set out for ourselves.

Our Environment, Health, Safety and Security team (EHSS) leverages an integrated Environment, Health and Safety Management System designed to meet Polaris's continually evolving and dynamic business and operating model. The system, which follows ISO methodology, supports the implementation of proactive sustainable business practices for the purpose of ensuring compliance with internal and external requirements, driving continuous improvement, and supporting our strategy of becoming a leader in environmental, health and safety management.

Although much remains to do, we are continuously improving and adopting best practices to support our goals and limit our environmental footprint.

**Commitment in Action:
Bright Ideas at Taylor Dunn**

Taylor Dunn, a company acquired by Polaris in 2016, was founded in 1949 and their facility has run on conventional lighting since then. In 2017, we replaced all 1,266 conventional lighting at the

facility with LED lighting. LED lighting systems provide numerous benefits including energy efficiency, reduced energy costs, longer lifespan and less heat production than traditional lighting systems. This change will reduce CO2 generation by approximately 62 metric tons each year, compared to the original lighting system.

* Our environmental goals will be measured based on ten priority locations (listed on page 11 of this report) that make up 90% of emissions and energy consumption for our manufacturing and research & development facilities.



**Commitment in Action:
Reducing Energy Use in Monterrey**

Employees at our largest manufacturing operation located in Monterrey, Mexico worked together to implement various energy saving projects that significantly reduced electrical consumption at the facility and they are not done yet.

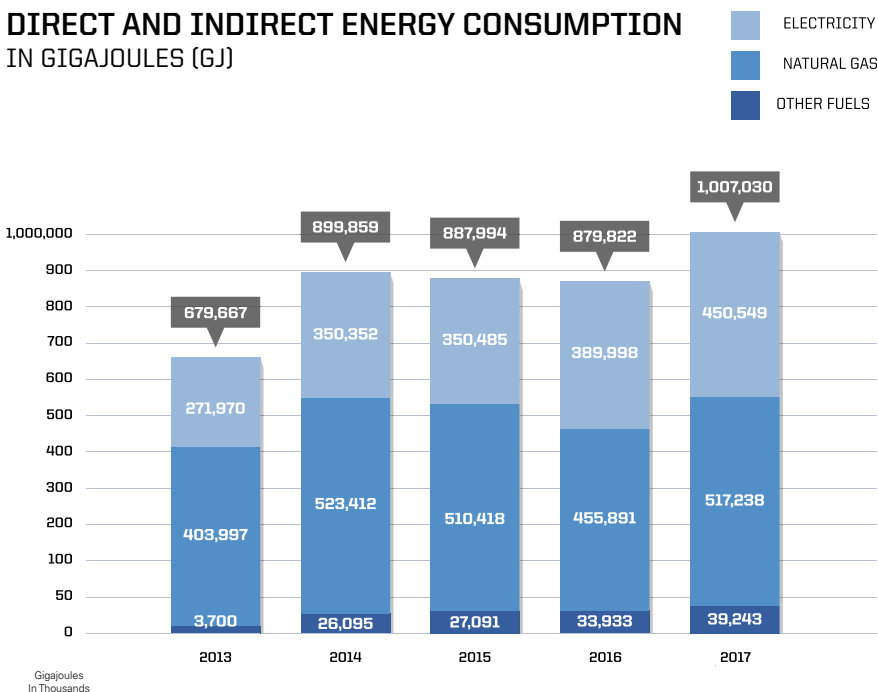
In 2017, the team invested in LED lamps throughout the facility, added lighting control systems that turn off lights in areas when not needed and reduced air leaks across the operating environment. These initiatives and various others enabled the plant to achieve measurable energy efficiencies and drive value to Polaris. After the first phase of energy projects, the facility reduced their energy consumption by 2.8 kwh of energy.

We remain committed to reducing our energy consumption and reducing our greenhouse gas emissions and have set goals aimed to drive measureable reductions by 2022, off our 2017 baseline.

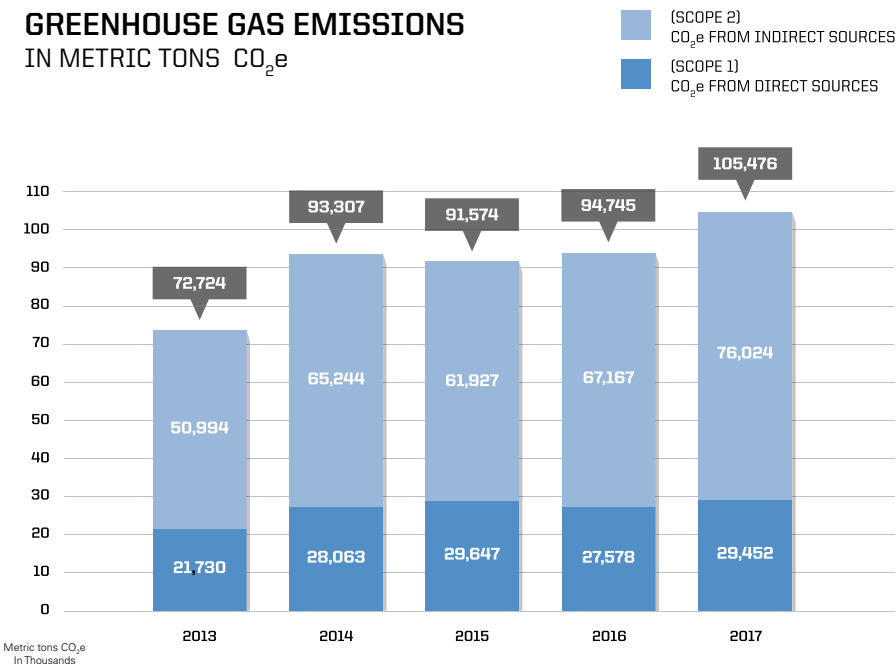


The team in Monterrey invested in LED lighting

**DIRECT AND INDIRECT ENERGY CONSUMPTION
IN GIGAJOULES (GJ)**



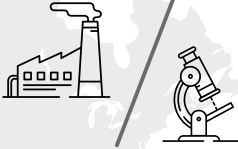
**GREENHOUSE GAS EMISSIONS
IN METRIC TONS CO₂e**



For our 2017 Stewardship report, our reported totals for direct and indirect energy consumption and greenhouse gas emissions have been adjusted to reflect the 10 priority manufacturing locations. In 2017, we ramped up our new manufacturing capabilities in Huntsville, Alabama. The addition of this facility resulted in the increased levels of our overall greenhouse gas emissions and energy consumption compared to 2016.

01

UNITED STATES



03

EUROPE



02

MEXICO



Priority Locations*

01

United States

Huntsville, Alabama
Manufacturing

Anaheim, California
Manufacturing

Spirit Lake, Iowa
Manufacturing

Milford, Iowa
Manufacturing

Roseau, Minnesota
Manufacturing

Wyoming, Minnesota
Research & Development

Spearfish, South Dakota
Manufacturing

Osceola, Wisconsin
Manufacturing

02

Mexico

Monterrey, Mexico
Manufacturing

03

Europe

Opole, Poland
Manufacturing

* These ten locations will be the basis for measuring our environmental goals.

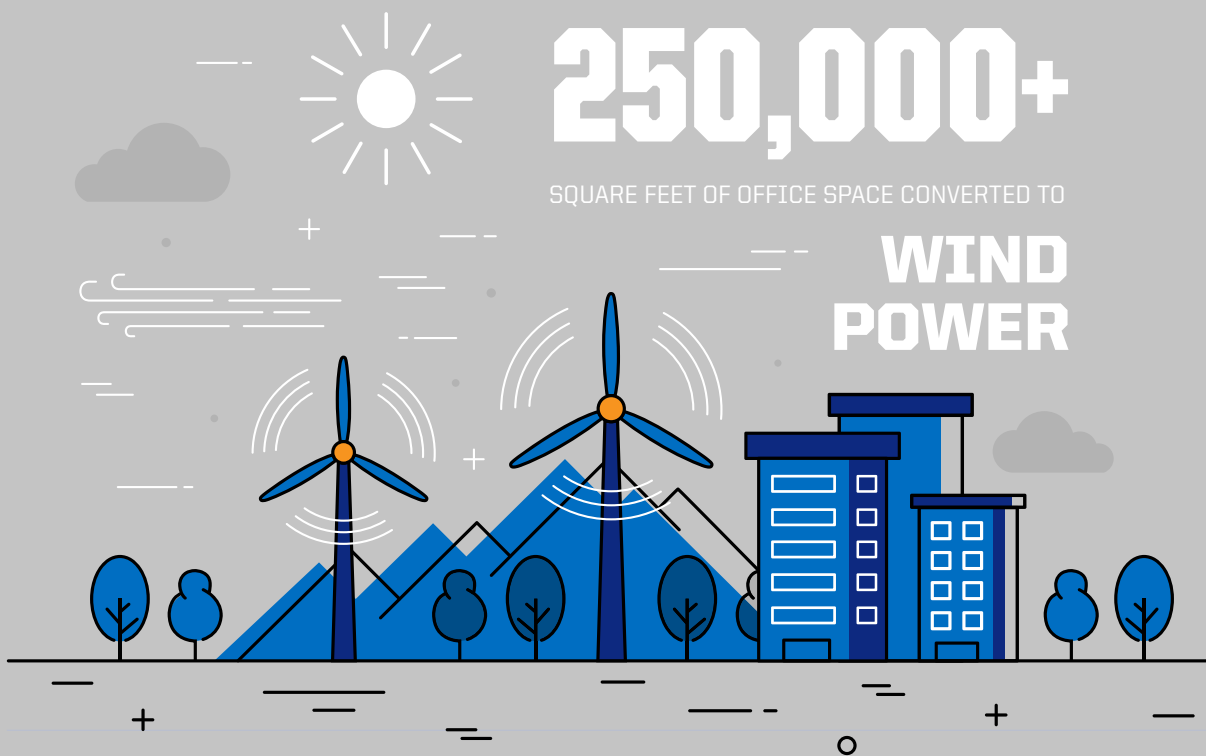
GOAL 3:

RENEWABLE ENERGY 15% OF TOTAL ENERGY PORTFOLIO BY 2022

**Commitment in Action:
The Renewable Energy Buildout Begins**

In 2017, to enable a more diversified energy portfolio, we partnered with Basin Electric Power Cooperative to purchase renewable energy credits and shifted to powering two of our corporate offices in Minnesota — more than 250,000 square feet of space — solely with wind energy.

This is only the beginning. Through our work with CustomerFirst Renewables we are developing our roadmap to achieving our goal of powering 15% our operations with renewable energy by 2022.

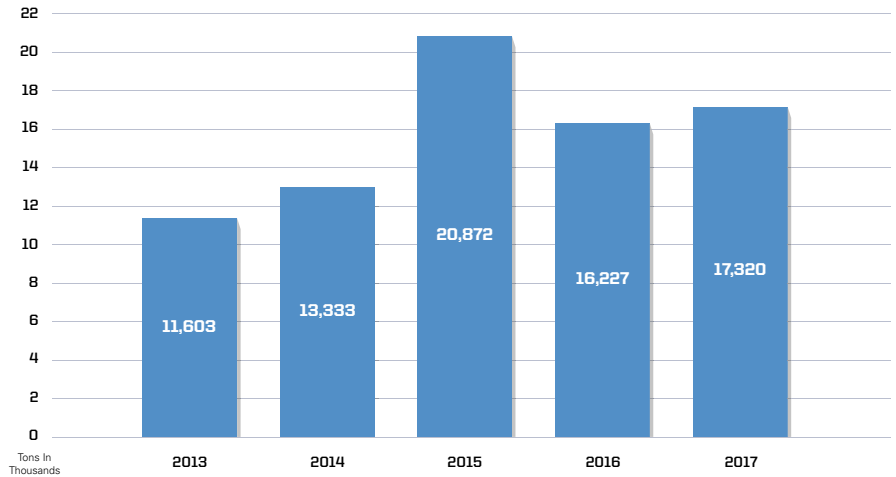


**Waste Reduction:
Changing How We Ship**

Polaris deployed a series of resource efficiency projects in 2017 to improve truck utilization, drive route efficiency and support in-sourcing activities. Efforts included the reconfiguration and restacking of product packaging to optimize truck space, helping to conserve fuel and materials. Thanks to 13 initiatives that were completed in 2017, our employees helped save more than 272,000 gallons of fuel and took 4,328 trucks off the road.

The team also developed reusable plastic crates for transporting goods between our dealers and suppliers. With the close proximity between most of our manufacturing facilities and suppliers, the packaging can be efficiently sent back to manufacturers once the supplier has shipped a product, ready for use on the next order. These reusable crates have also cut down on the need for other packaging materials, such as wood and cardboard, and reduced our overall generation of waste.

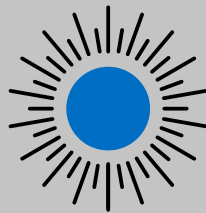
**RECYCLED MATERIALS*
IN TONS**



*Recycling quantities are from the Polaris largest manufacturing facilities: Roseau, Minnesota; Osceola, Wisconsin; Spirit Lake, Iowa; Milford East & West, Iowa; Monterrey, Mexico; Opole, Poland; Huntsville, Alabama.

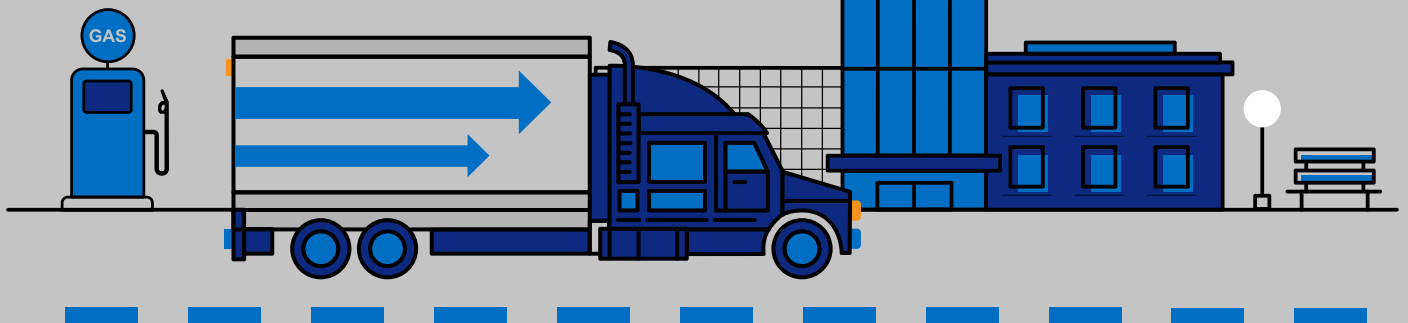
272,000

GALLONS OF
FUEL SAVED



4,328

TRUCKS OFF THE ROAD
FROM NEW SHIPPING
EFFICIENCY MEASURES





INNOVATIVE COLLABORATION

As an organization we understand that we can achieve more by working together and we take pride in the initiatives our team members take every day to drive efficiencies and support sustainable processes.

In 2017, we launched the Polaris Global Facilities Council, whose mission is to work collaboratively to develop responsible management practices that support day to day operations at our manufacturing, engineering, distribution and office facilities. One of the primary objectives of

this team is to share best practices that drive resource efficiencies across our company. Together, the Council has worked to develop a roadmap of energy reduction projects that will support the achievement of our 2022 goals and beyond.

INNOVATIVE PARTNERSHIPS: Tread Lightly!, National Forest Foundation, National Park Foundation & Boy Scouts of America

Polaris has been a more than 25-year supporter of Tread Lightly!, a nonprofit that promotes responsible outdoor recreation through stewardship, education and communication.

As a part of our new offerings, Polaris Adventures is in the process of qualifying every Polaris Adventures Outfitter as a Tread Lightly! partner to promote responsible riding.

Through the Polaris Foundation, we partner with The National Forest Foundation (NFF) and National Park Foundation (NPF) to support the maintenance and creation of riding trails in an environmentally responsible manner. The ultimate goal is to provide access to appropriate trails while supporting conservation efforts for protected areas.

- In May of 2017, the Polaris Foundation donated more than \$100,000 to the National Forest Foundation to support critical trail maintenance activities on the Soo Line North Trail in Minnesota and the Silver Lake OHV trailhead on Florida's Apalachicola National Forest. This work focuses on creating accessible riding experiences on shared public lands, while ensuring that ATV and OHV trails don't impact forest health.

- Since 1998, the number of OHVs registered in Utah has nearly tripled, putting additional pressure on Utah's public lands, especially in popular riding areas. In 2017, the Polaris Foundation contributed to the National Park Foundation's Centennial Campaign for America's National Parks to help address trail infrastructure needs to help preserve the Mormon Pioneer National Heritage Area park, in addition to continuing to provide a safe, fun, and accessible recreational experience for ATV and OHV riders.

The Polaris Foundation also partners with the Boy Scouts of America to bestow youth with both sound off-road safety practices and a respect for the great outdoors. In 2017, 1,758 Scouts participated in trail building and conservation activities. More than 4,000 Scouts have participated in these projects since the partnership's inception in 2014.





INNOVATIVE PRODUCTS

For Polaris, innovation is a key driver that supports the development of our electric vehicles.

From our *RANGER* EV and e-Aixam™ Personal Quadricycles product options, to consolidating our GEM and Taylor-Dunn manufacturing operations in Anaheim, California, we've continued to invest in building out our electric vehicle expertise through operations, partnerships, and product development.

 POLARIS
RANGER





GOUPIIL™ Partnership with PicNic

PicNic, an app-based grocery delivery company based in the Netherlands, is using a large fleet of ultra-compact, all-electric Goupil vehicles as a part of its operations. In 2017, PicNic used Goupil vehicles to deliver to more than 30,000 households in Dutch city centers.





“

We have been consistently impressed with the reliability, performance and fuel savings we realized almost immediately in our transition to GEM vehicles. Since our inception we've given well over a million rides and it has saved us over 100,000 gallons of fuel.

”

Kris Bailey
Chief Operating Officer,
Electric Cab of North America



GEM, TAYLOR-DUNN AND OUR ELECTRIC VEHICLE MANUFACTURING CENTER OF EXCELLENCE

In 2017, we moved our GEM manufacturing operations to our Taylor-Dunn facility in Anaheim, California and established it as the Polaris Electric Vehicle Center of Excellence.

We also became a member of the Association for the Advancement of Sustainability in Higher Education (AASE) to help colleges lead the way in driving change in sustainable transportation. We continued to partner with numerous organizations across the country to further our work on urban mobility, autonomous vehicles and electric vehicle adoption.

One example is our support of The Free Ride, an organization focused on bridging the physical distance between rider starting points and existing transit hubs, by supplying electric vehicles in numerous major metro areas across the country. Using fleets of GEM electric

vehicles, The Free Ride provides an eco-friendly solution that combats vehicle congestion, encourages alternate transportation, creates local jobs and bridges the last-mile gap at no charge to a budget-conscious consumer.

We also helped Electric Cab, an organization that provides zero-emissions micro-transit services, launch operations in Kirkwood, Missouri, a St. Louis suburb. In addition, we are providing vehicles to organizations like Optimus Ride, Inc. and May Mobility—two organizations that ran pilot programs for driverless electric vehicles in Boston and Detroit, respectively.



Since starting our organization, we've given over 2.5 million rides without burning an ounce of fuel.



Alexander Esposito
Cofounder, The Free Ride



TAYLOR-DUNN
Commercial and Industrial Vehicles Since 1949

SAFETY AND QUALITY

GOAL:

TOTAL RECORDABLE (TRIR)

INCIDENT RATE < 1.2 BY 2022

EMPLOYEE SAFETY FIRST

Creating an environment that focuses on reducing risk and keeping our employees safe isn't a stretch goal for Polaris—it is an expectation. And with a 0.58 recordable incident rate per 100 full-time workers and 0.14 lost-time injury rate in 2017, we are making good progress.

According to the U.S. Occupational Safety and Health Administration (OSHA), there were nearly 700,000 non-fatal occupational injuries and illnesses in goods-producing industries in 2016 in the United States alone. Although we operate in compliance with regulations as a baseline, we aspire to do much more.

In 2016, we adopted a Focus on LIFE (Life-altering Incidents & Failure-cause Elimination) philosophy to further improve our effectiveness as leaders and create a zero-harm culture, reinforcing our

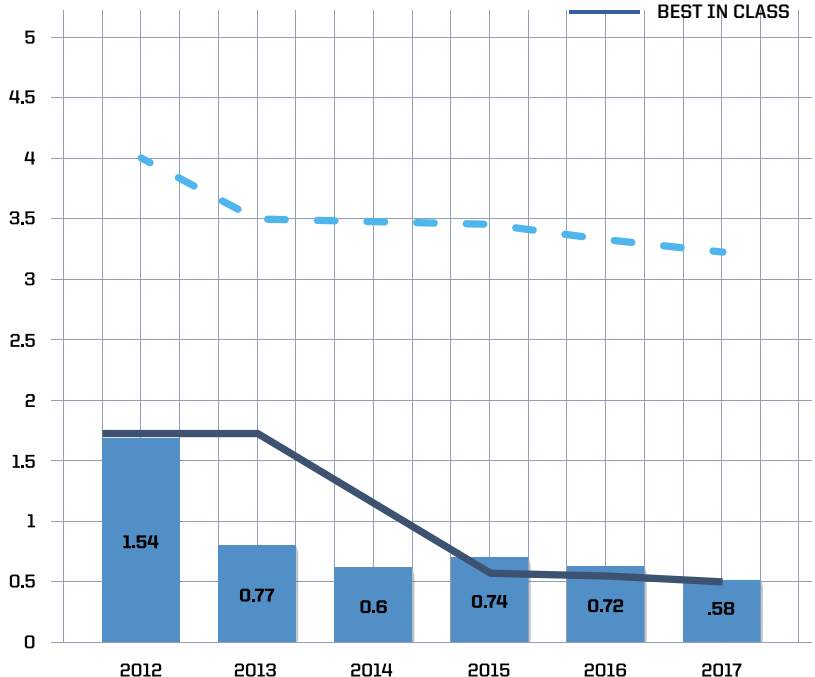
unwavering belief that every life matters at Polaris.

Our LIFE approach helps to keep occupational safety at the center of our culture, through a focus on eliminating life-altering incidents and their causes not just at work, but at home and while enjoying our products. The big idea is to make people more aware of and avoid everyday risks and hazards—from slips, trips and falls to back strains and distracted driving.

We're proud of our 2017 TRIR results—including the fact that our results outperformed our annual TRIR goal for 2017 of .67 and lays a strong foundation for our 2022 goal. We realize, of course, that results require constant vigilance as new people come on board and operations expand. Going forward, we will continue to support the safety efforts for all Polaris employees and aim at driving improvements in our employee safety practices that continuously drive lower TRIR figures across all our business operations.

TOTAL RECORDABLE INCIDENT RATE*

- TOTAL RECORDABLE INCIDENT RATE (TRIR)
- INCIDENT RATE (TRIR) INDUSTRY AVERAGE
- BEST IN CLASS



* Includes all Polaris facilities.

TRIR =

RECORDABLE INJURIES

x 2,000

÷ HOURS WORKED

* Standard calculation developed by the U.S. Occupational Safety and Health Administration (OSHA)



Safety And How We Work

We improve employee safety by how we design, build, operate and maintain our facilities. The focus on safety comes in all forms and from all areas of the company. We seek input and encourage employees to raise their hand if they have an idea on how to improve a safety practice that needs to be swiftly addressed.

For example, a Polaris tube fabrication technician designed a safety slip ring for our weld fixtures to mitigate potential injury risks to employees in the event a fixture should fall during the welding process. The slip ring increases the safety of our weld operators so effectively that it has been

produced in bulk and distributed to all other facilities with similar exposure risks.

Safety As Efficiency

A safe facility and an efficient facility are one and the same. At our facility in Osceola, Wisconsin, a team of employees work together to design an automatic clutch-spinning table with quick inserts for multiple clutch designs to enable automation of clutch production, thereby minimizing repetitive motion injury risks. The table standardized the assembly process, driving cycle time efficiency while reducing injury potential.

Safety As Culture

Most of all, safety is part of our culture — one of our core values that determines how team members think and act every day, whether at work or at play. Employees at our facility in Roseau, Minnesota, have achieved six straight years of incident reductions by enhancing new employee onboarding programs, driving process standardization, implementing ergonomic risk reduction tools, and applying Focus on LIFE safety principles.





“

Deborah Briggs
Vice President of Environmental, Health,
Safety, Security and Facilities, Polaris



By integrating sound safety management practices and driving a Focus on LIFE into all aspects of our business, we can offer innovative products and services while providing a safe working environment for our team members

”



Todd Gross
Vice President of Product Quality
and Safety, Polaris

“

By combining each employee's talent and expertise with Polaris' organizational strengths and infrastructure, we will continue to support a culture of personal ownership in uncompromising product safety and quality

”



MAXIMIZING PRODUCT SAFETY AND QUALITY

Whether we are enhancing our design process or incorporating safety technology and materials into our vehicles, the Polaris commitment to safety and quality remains a cornerstone of this company.

We strive continuously to innovate on safety in our product development process, including engineering and developing industry-leading safety features such as front-facing and back-up cameras in vehicles with our RIDE COMMAND technology. In 2017, we also introduced the Polaris Pulse Electrical System, an accessory that provides consumers with a seamless way to connect accessories such as lights and sound systems to their vehicle. This system discourages consumer modification to the existing wire harness, reducing the opportunity of mis-wiring that could result in a fire hazard.

We are also continually learning to enhance our product safety and quality practices whenever possible, with processes in place that support swift action if an issue arises.

[Learn even more on our Product Safety and Quality site.](#)

Polaris Adventures Extends Safe Experiences to More Riders

In November 2017, we launched Polaris Adventures — our first-ever network of premium ride and drive experiences designed to create safe, memorable adventures for riders and families of all skill levels. With safety top of mind, the Polaris Adventures team outfits the majority of its vehicles - with the goal of incorporating into all vehicles - the latest mapping technology and an emergency help button with on-spot location technology, augmented by ride training to instill responsible riding techniques and trail etiquette. Learn more at <http://adventures.polaris.com/safety>.

Quality Star Awards Recognize Employee Contributions

From line workers who raise their hand when they see an issue to employees who are identifying process improvements, our team members work assiduously to bring to life our commitment to product safety and quality. Polaris recognizes employees who have best exemplified this commitment with our annual Quality Star Awards, as a way of highlighting their spirit of teamwork, attention to detail, focus on the customer, and dedication to making a great company even better.

In 2017, Polaris recognized three employees with the 2017 Quality Star Award for their efforts to go above and beyond for safety and quality:

Operator Pat Kelly from our Osceola, Wisconsin facility was recognized for his work on off-road vehicle manifold production.

Operator Jeff Taylor from our Roseau, Minnesota facility was recognized for his efforts on our Titan snowmobile assembly.

Production Operator Briselda Ramirez and Group Leader David Ramirez from our Monterrey, Mexico facility were recognized for their focus and attention during a model year transition.

Employees Contributing at Each Step in the Process

In 2017, more than 200 Polaris employees played an active role in the evolution of our product design process and introduced Product Design Process 2.0 (PDP 2.0), which established new capabilities and integrated enhancements. PDP 2.0 influences design, engineering and manufacturing plans across our entire vehicle portfolio, beginning with product research and conception and extending through material sourcing and manufacturing controls.





INSTILLING SAFE RIDING PRACTICES

In addition to designing safe, top-quality vehicles, we also make it a priority to promote safe riding practices. Understanding how to operate our vehicles safely and responsibly makes the experience more enjoyable for riders and those around them. From Polaris-specific training videos and owner's manuals, to materials designed by respected industry organizations, we encourage customers to review [safety training resources](#) that promote a safe riding experience and proper operation of our products.

Safe Riding Website

In late 2017, we launched the Ride Safe website as a means of educating off-road vehicle riders on best practices for staying safe while enjoying the ride. The site provides easy access to an array of useful materials and resources to learn about Polaris products and how to responsibly operate them.

Traveling Safety Training

Polaris partners with the Boy Scouts of America and 4-H to promote safe and responsible riding practices at locations across the country. In conjunction with 4-H, we provide ATV Traveling Safety Classrooms that travel to state fairs, county fairs and 4-H events. Thus far, we

have reached 800,000 people with our safety messages.

The Polaris Foundation also joined 50,000 youth and adults at the 2017 Scout National Jamboree in West Virginia. We debuted the Polaris Off-Highway Vehicle (OHV) Center for Excellence at the event, which offers both a safety training center and high-adventure trail system for putting the instruction to practice.

It's part of our unique 10-year partnership with the Scouts to emphasize off-road vehicle safety, responsible riding and respect for the environment. We have similar safety programs at three high-adventure camps and 41 local

camps nationwide. To date, more than 10,000 Boy Scouts have been ASI safety certified in safe riding practices, and 5,000 have participated in ATV trail building/conservation activities.

T.R.A.I.L.S. Grants Help Grassroots Organizations Keep Up the Good Work

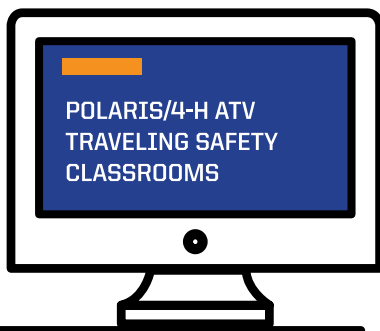
In addition to programs and partnerships, Polaris Foundation also offers direct financial support to select snow and off-road vehicle associations that promote safe, responsible riding and trail access preservation.

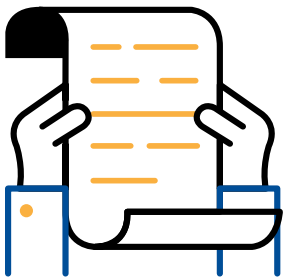
Ranging from \$1,500 to \$10,000, T.R.A.I.L.S. grants are intended to facilitate the development, improvement and expansion of trails, as well as enhancements in ATV and ORV educational materials. The program was launched in 2006 and reached a major milestone in 2017 when the grant total surpassed the \$2 million mark.

One recent grant recipient was Munds Park Trail Stewards (MUTS), a grassroots volunteer organization dedicated to maintaining and improving the Coconino National Forest trail system in northern Arizona. In March 2017, MUTS received a \$10,000 T.R.A.I.L.S. grant to

800,000

**RIDERS INSTRUCTED
TO-DATE**





T.R.A.I.L.S.

\$2 MILLION

IN GRANTS TO-DATE



hire a crew to address the very challenging maintenance requirements of the Frog Tank Connector Trail within the system.

New Programs Promote Safe Employee Riding Practices

Just as important as the safety of our customers is the safety of the many Polaris employees who are avid riders. We are deeply committed to providing our people with the tools and education they need to stay safe on our vehicles and advocate for the safety of others.

In addition to training tools such as ATV Safety Institute (ASI) Online, Motorcycle Safety Foundation (MSF), and Recreational Off-Highway Vehicle Association (ROHVA) courses to enable our employees to know and live by safety best practices, we launched two new programs and

one app in 2017, all of which are designed to keep our employees safer when out on a ride.

Slingshot Rider Safety Training

We rolled out our first comprehensive employee training program for the Polaris Slingshot roadster in 2017. The program includes an online training video and employee driving experience at one of six Slingshot clinics offered at our facility in Wyoming, Minnesota.

The training video highlights key Slingshot safety features online, while the clinic helps employees identify and interact with those features in the real world. Clinic participants also get a chance to ask questions to experts from our Engineering and Design team who worked on the Slingshot vehicle.

Desert Terrain Training

As a Midwest-based company, Polaris employees are far more familiar with riding on fresh snow than desert sand. But just like snow, hazards can exist in desert terrain without knowing the proper maneuvering techniques. This hands-on training covers how to safely conduct "divets," "crawling" and other techniques for maintaining vehicle control on unfamiliar desert terrain.

Rider Safety Waiver App

With the click of a button, Polaris employees can now access and send in their rider safety waivers from any location with a Wi-Fi or cell data connection. The app also incorporates reminders on pre-operation vehicle inspection and safety check, and a consolidated database for training documentation.

MAKING POLARIS A GREAT PLACE TO WORK AND BUILD A CAREER

One of Polaris' guiding principles is Best People, Best Team. We believe it is our responsibility to ensure we are supporting our employees, developing their skills, helping to unleash their full potential, and creating rewarding career experiences. Polaris aims to attract, develop and retain top talent by being the employer of choice where passionate industry experts seek to do great work each day.

Polaris offers a competitive salary and a comprehensive benefits package that includes medical and dental plan options, a company match for 401K, profit sharing, paid time off, wellness discounts, tuition reimbursement, product discounts, and more. Our employee stock ownership plan is another way we differentiate ourselves as an employer. Through this program, our employees are one of Polaris' largest shareholder groups.



Andrea Struss
WLP Founding Member



In WLP, we are working to break down barriers in the powersports industry by connecting women to a strong social and professional network. Through leadership roundtables, networking, and riding events, we are fostering a culture of inclusivity and encouraging women not to hold back on their passions.



Cultivating a diverse and inclusive workforce is an important aspect of our “Best People, Best Team” guiding principle. We believe that a diverse pool of talented employees enables us to better deliver on our long-term strategies and vision for the company, which include building and designing the best products, services and experiences for our customers, supporting efforts to reach new consumers and markets, and maintaining an engaged workforce that feels valued and respected. At Polaris, we are committed to providing equal employment opportunities for all employees and applicants and continue to develop holistic approaches to support diversity and inclusion throughout the employee experience at Polaris, from how we recruit to the experiences and development opportunities we provide to current employees. Polaris believes in fostering a diverse mix of experience, backgrounds and skill sets at every level of the organization, all the way up to our Board of Directors.

Women Leaders in Powersports Influence Continues to Grow

Women Leaders in Powersports (WLP) continued to grow in 2017, welcoming new members. Since its creation in early 2015, WLP has worked to engage employees across the Polaris organization.

The group’s efforts focus on five primary areas:

- Professional and personal development
- Promoting diversity
- Networking
- Community outreach
- Recruiting

In 2017, WLP hosted a breakfast discussion with former Vice President of Product Development & Global Technology and Chief Technology Officer for Caterpillar Inc., and current Polaris board member, Gwenne Henricks at our Research and Development facility in Wyoming, Minnesota. To a packed room, Gwenne offered her perspective on the role of women in leadership, her career, and the unique diversity challenges and opportunities of the Powersports industry in particular.

“These are important conversations within every industry, but especially within the manufacturing and engineering sectors as we look to encourage more women to participate in this space. I was honored to speak to this passionate group of women and men who are driving this dialogue and engaging employees across Polaris.”



A FOCUS ON DEVELOPMENT

We invest in the career development of our thousands of employees across the globe. Just like no two employees are the same, we believe that one's career path and development plan should be as unique as the employee. Through formal and informal processes such as annual reviews, career planning, individual development plans (IDPs) and development and learning opportunities, we provide the tools and resources to help our employees succeed in their goals.

By supporting employee development, we are creating a bench of talent that is rising to leadership and senior leadership levels of the company. Within our director and above level employee groups, more than 70 percent have reached their current role as part of an internal promotion.

We are focused on creating meaningful, impactful experiences for our employees, regardless of where they are at in their career. For example, our Succeeding as a Polaris Leader (SAPL) and Polaris Leadership Development Program (PLDP) initiatives are designed to provide individual contributors, managers and directors with an in-depth development experience. These programs blend executive perspective, traditional classroom education and hands-on project learning to build business acumen, enable engagement with senior leaders, and help with driving company strategy.

In 2017, our internship programs, which recruit from college campuses across the United States, brought together more than 120 men and women for a summer of hands-on learning. Our Development Programs (DPs) span across our various business areas including Human Resources, Sales and Marketing, Engineering, Finance, Operations, and Information Systems. These two- to three-year rotational programs provide employees early in their career with the opportunity to gain experiences across the businesses, grow their skill set and challenge their thinking. In 2017, more than 50 Polaris employees were a part of a DP program.

[Learn more about our internship and DP programs.](#)

Supporting the Educational Pursuit

At Polaris, we believe in having the best people, best products and best teams. A part

of what makes that happen is giving our team members opportunities for growth. The Polaris Tuition Reimbursement Program invests in our employees' educational pursuits to help them advance in their careers and achieve their personal goals. In 2017, we disbursed nearly \$700,000 on tuition reimbursement.

Polaris also helps support the educational goals of the dependents of Polaris employees through the Polaris Scholarship Program. The Polaris Scholarship Program was established to provide financial assistance and recognize and encourage achievement in higher education. The scholarship is aimed at students enrolled or planning to enroll in a full-time, undergraduate study at an accredited two- or four-year college, university, or vocational technical school. In 2017, we awarded 80 Polaris Scholarships.



“

I've found it extremely fulfilling to be a part of a team that is dedicated to bringing value to our customers through our products while also being committed to developing its most important resource: Polaris Team Members. In my first three years at Polaris, I've been responsible for leading the teams and operations at two of our major manufacturing facilities, including our newest facility in Huntsville.

”

John Dansby
Plant Director,
Huntsville



“

After years with the program, I have noticed that the level of opportunities and efficiencies continue to grow. It is with support from Polaris that I have been able to graduate from college, become a salaried worker and take on new positions within the company.

”



Brian Koehnen

Our interns took part in the 2017 Driving for Success Intern event, where they heard from Polaris leaders, engaged in group training sessions and showcased their creativity during the Product Prototype Challenge.

The attendance-record-setting events were the perfect occasion to thank RZR enthusiasts for their loyalty with top-notch



“

Over the past 12 years, Polaris has been active and supportive in my development as a leader by encouraging me to take on challenging assignments, from various sales leadership and back-end Lean roles to integration leadership for Polaris' largest acquisition to-date. This support has enabled me to strengthen my skills as a leader and given me broad exposure and experience across the organization.

”



Jordan Benning
Senior Director of TAP Business Systems

“

One of the things I love most about Polaris is that our leaders focus on employee growth, providing challenging but developmental experiences that promote on-the-job learning. I have had the opportunity to lead a financially challenged business in a turnaround situation, manage a standalone subsidiary through an integration, and most recently, lead the integration of our Boats business - a completely new category for Polaris. These very different experiences have helped me learn new skills, strengthened my critical thinking, and most importantly, forced me to be agile, all of which have helped me grow professionally and become a better general manager.

”



John Stockman
Vice President, Strategic Initiatives



FULFILLMENT THROUGH COMMUNITY ENGAGEMENT

Polaris employees are a passionate group with interests that extend outside the office and into the local community. To support these interests, we actively invest in the philanthropic and volunteer efforts of employees who are making a difference in the lives of others, primarily through these programs:

The **TEAM Polaris** corporate program encourages team philanthropic efforts by matching funds raised, up to \$1,000, by six or more Polaris employees for an eligible 501(c)3 race, run or event. Polaris matched \$70,000 in 2017 for the 453 employees who participated, which was a 48 percent increase in participant numbers for 2016.

Dollars for Doers gives \$100 through the Polaris Foundation to an eligible 501(c)3 organization for every 10 hours volunteered by a Polaris employee, up to \$500 annually. More than \$9,300 were given on behalf of 22 employees who participated — a 73 percent increase in participation over the previous year.

We also initiated plans in 2017 to launch a Volunteer Time Off program that encourages employees to get involved in their community. This program is scheduled to launch in early 2018.



In 2017, employee participated in community events from Climb for a Cure that supports the Cystic Fibrosis Foundation (left) to Bike MS that raises

COMMUNITY

At Polaris, giving back and being a part of the communities where we do business are important parts of who we are as an organization. We recognize our responsibility to contribute to and to positively impact the communities across the globe. To help achieve this, we partner with employees, our customers, community organizations, and other members of the Polaris family to help support the efforts and initiatives that are important to Polaris, employees and our customers.

From the Polaris Foundation and our partnerships with local non-profit organizations, to assisting with disaster efforts and supporting military and veterans' programs, Polaris works to make an impact in local communities. The Polaris Foundation donated more than \$3 million in monetary and product donations in 2017.

The Polaris Foundation

The Polaris Foundation donated more than \$3 million in monetary and product donations in 2017. The Foundation's strategic giving continues to support:

- * Youth Safety on our Products
- * Community Development
- * Environment and Land Access

[Learn more about the Polaris Foundation in our 2017 Polaris Foundation Annual Report](#)

Helping those Affected by Hurricane Harvey

Hurricane Harvey ravaged the Gulf Coast impacting millions of people and thousands of communities. To help support The Salvation Army and its disaster relief efforts, Polaris donated \$200,000. We also contributed an additional \$27,000 through our employee donation match program. Employees donated nearly \$14,000 through the Polaris Gives donation site and the Polaris Foundation will match those gifts.

Polaris has been a long-standing partner of The Salvation Army. Over the years, we have donated more than \$1.3 million to create the Polaris

Rescue and Relief Fleet, a fleet of more than 50 off-road vehicles designed to be mobilized quickly and used after disasters to help aid response and recovery efforts.

Providing Technology Access in Osceola

Polaris awarded a \$100,000 grant to the Village of Osceola and the Mill Pond Learning Foundation to create a multi-purpose central gathering facility in downtown Osceola, Wisconsin.

Launched as the Osceola Discovery Center will serve as the center point for the Osceola, Wis., community. In addition to housing the Osceola Public Library, the Discovery Center will offer an expanded children's area, teen and seniors spaces; a Fab Lab technology center; outdoor gathering areas; and small and large meeting rooms. The building will provide access to high-speed internet and advanced technology, offering equitable access and resources to all citizens and visitors of Osceola.

In addition, an innovative Fab Lab will be included to function as a hands-on training facility for the technical skills needed to work in Polaris' local manufacturing center.

Building the Next Generation of Dealer Technicians

Polaris recognizes the technical skills gap in the current and future labor market, not only for our own operations, but for our more than 1,600 off-road and on-road Polaris dealers as well.

To help address the issue, we created the Polaris Service Education Program in 2003 and have spent the past several years formalizing the initiative. Through this program, Polaris partners with high schools, tech schools and community colleges to provide free access to our technical training systems, educational material and learning manuals. Students can earn Polaris Master Service Dealer (MSD) Bronze & Silver certifications, sought after by Polaris dealers, to add to their credentials when looking for employment.

In 2017, we had 15 active high schools & technical colleges that were involved in the program and more than 85 participants complete their MSD certifications.



The Salvation Army's Polaris Rescue and Relief Fleet (left) supports disaster relief from across North America.

As a part of the celebration, Polaris was a part of helping to break ground on the new Osceola Discovery Center.



GIVING BACK TO VETERANS, THE MILITARY AND THEIR FAMILIES

Polaris' support for the military and their families is unwavering and we are committed to finding opportunities to say thank you and recognize the incredible service members, veterans and their families. Here are some of the examples of our involvement with military and veteran organizations across the country.

RZR Salute to Heroes

Polaris RZR partnered with Warfighter Made, a nonprofit supporting recreational therapy and the creation of adapted vehicles for injured and combat-wounded service members and veterans. Through the RZR Salute to Heroes Campaign, \$140,000 was raised in donations and a giveaway of a custom military-themed RZR vehicle. All proceeds benefitted Warfighter Made.

Polaris Salute to Military Kids

In November, the Polaris Off-Road Vehicle (ORV) team invited six Minnesota military families to our Wyoming, Minnesota, facility for a day of riding and a meet-and-greet session with Minnesota Vikings football players Adam Thielen and Kyle Rudolph. At the end of the day, each child was gifted a Polaris youth off-road vehicle.

[Check out a video from the incredible event.](#)

Five percent of proceeds from Polaris ACE 150 ORV sales from November and December 2017 were also donated to the United Heroes League, a nonprofit committed to keeping children healthy and active through sports while their parents are serving our country.

“ We are honored to have helped these six families create lasting memories and look forward to continuing to help support United Heroes League. ”

Kyle Dueda
Vice President of
Marketing
Off-Road Vehicles

Indian Motorcycle Sponsors 2017 Veterans Charity Ride to Sturgis

For the third year in a row, Indian Motorcycle was the primary sponsor of the 2017 Veterans Charity Ride to Sturgis. The 2017 Ride named Corporal

Josh Stein, U.S. Army (Ret.) and Corporal Neil Frustaglio, U.S. Marines (Ret.) as the honorary 2017 “Hero’s Ride of a Lifetime” selectees. The two heroes piloted a custom Indian Scout Avenger Sidecar. Modifications for the bike included a Rekluse Clutch, which eliminates the need to pull the clutch handle for shifting; a hand shift mechanism, so the amputee rider can shift the bike manually; and a rear brake system, which has been adapted to a hand brake on the left handlebar.

The Veterans Charity Ride to Sturgis is a therapeutic adventure that provides participating veterans with the opportunity to work towards overcoming their post-war challenges while out on the open road. As a part of the ride, the veterans will make stops to meet with other





veterans, supporters, riders, and participate in various adjacent adventures.

Warrior Ride

In partnership with our Snow team, the 2017 Warrior Ride provided 10 injured veterans with a personalized, therapeutic snowmobiling experience through the scenic mountains of Buena Vista, Colorado. The ride allowed participants to step away from their injuries and focus on having fun while making meaningful connections with other wounded veterans. About the event, long-time Polaris partner and snowmobile athlete Paul Thacker said, "For these guys to come out and replace some of the adrenaline they've been missing and seeing them fall in love with a sport that has given so much back to me is simply amazing."

[Learn more about the 2017 ride.](#)

2017 Hero Hunt

Continuing our support for wounded veterans, we donated \$1,300 to the 2017 Hero Hunt, an organization that provides wounded veterans with the chance to experience a guided deer hunting and fishing tour. The donation went directly toward vehicle service and repair costs, helping to ensure a safe and successful hunting trip.

In addition to this donation, we offered a Polaris *RANGER* XP 900 at discount for a raffle during the event. All proceeds from the raffle went directly to the Hero Hunt for ongoing events.

Shoot for the Troops

As a sponsor for the Minnesota Military Family Foundation, Polaris donated \$2,500 for the group's Shoot for the Troops charity trap-shooting event. The Minnesota Military Family Foundation provides timely financial assistance

to deployed and currently serving Minnesota military personnel and their families who have a financial crisis that is not supported by existing state or federal programs. The Minnesota Military Family Foundation is a 100% volunteer organization.

AUSA Vessey Chapter Annual Fundraiser

Polaris donated \$4,000 to the Association of the U.S. Army – Vessey Chapter in 2017. This donation benefitted local military soldiers and family members.

U.S. Military Academy

To support engineering education and the integration of new systems at U.S. Military Academy (West Point), we donated two Polaris *MRZR* D4 vehicles, a contribution totaling almost \$80,000.





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