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# LETTER FROM SCOTT WINE

Last year marked Polaris' 65th anniversary, a testament to the vision of our founders, avid outdoorsmen who had a passion for innovation and a drive to experience nature. But their most important contribution to the culture that truly sustains Polaris was their resilience and belief in winning the right way. They understood that it was not just what you did, but even in the most difficult times, how you did it that made the difference.

We have endeavored to uphold the heritage our founders bequeathed us through unstinting dedication to being good stewards and acting as an ethical and valued community member. Eighteen months ago, we initiated a more formal framework to align these efforts – Geared for Good. Operating under this framework fostered an even deeper commitment to quality and safety, the environment, our employees, customers and other key stakeholders.

Our commitment to good stewardship and being Geared for Good is steadfast, not an initiative that we support and invest in when times are good. As we face the unprecedented impact of the COVID-19 pandemic, Polaris is holding the values that underlie Geared for Good foremost in our minds as we work to keep our employees healthy, our dealers properly supplied and supported and our customers safe and satisfied. Winning the right way has never been more important, and we are focused on supporting our business and our stakeholders in order to emerge from this crisis even stronger than we were before.

While the coronavirus' impact on Polaris remains uncertain, our commitment to Geared for Good is steadfast. I am proud of all we accomplished under this framework in 2019, including:

Donating \$1.8 million to the Greater Twin Cities United Way

Logging more than 4,500 hours of employee volunteer time-off

A 40% reduction in our total recordable incident rate (TRIR)

Tremendous progress towards our 2022 Environmental Sustainability goals Additionally, we partnered with Business for Social Responsibility (BSR) to conduct a formal corporate responsibility materiality assessment, helping us elevate our corporate responsibility efforts to the level of our business strategy. For Polaris, corporate stewardship is a precisely defined strategic initiative. We are keenly focused on building an enduring foundation upon which Polaris can thrive for many more generations.

Geared for Good is a crucial component of our vision to help fuel the passion of riders, workers and outdoor enthusiasts around the world. Said differently, Geared for Good provides another opportunity for Polaris to help our stakeholders **Think Outside**. This report summarizes last year's approach, which we aligned around four key areas:

Environment - We are passionate about the outdoors; our products are designed to take people there. As such, we are committed to minimizing the potential impact of our operations and our manufacturing footprint.

Safety & Quality – From designing high quality and safe products to delivering safe working environments, safety and quality are always at the center of what we do.

People – Whether our employees, customers, partners or stakeholders, we are committed to providing valuable experiences and opportunities for them to reach their goals at work or play in the right way.

Community – Supporting our local communities through corporate giving, promoting responsible riding and volunteering is a part of our culture.

Polaris accomplished a lot in its first 65 years, rising from humble beginnings to become the global leader in powersports and a Fortune 500 Company. Through the decades we have been tested with natural disasters, recessions and now a global pandemic. Through the good times and the challenges, we do what is right and strive to be better. We look forward to even greater achievements in the decades ahead, as we steadfastly maintain a Geared for Good culture and encourage everyone to Think Outside.

Respectfully,

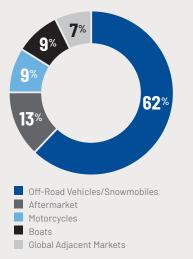
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Scott W. Wine Chairman and Chief Executive Officer

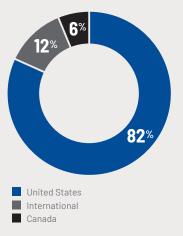
# 2019 Segment Overview



#### 2019 SALES BY SEGMENT



#### 2019 SALES BY GEOGRAPHY



#### OFF-ROAD VEHICLES/ SNOWMOBILES

Work, Hunt, Farm and Ranch Pictured: RANGER RANGER CREW XP 1000

Play, Dunes and Trails RZR

RZR XP 4 Turbo S

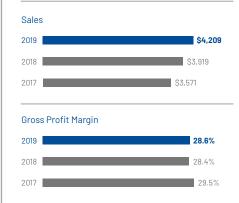
Pictured:

Work, Play and Hunt GENERAL Sportsman Hammerhead Off-Road

### Play, On/Off Trail, Mountains and Utility RMK INDY Switchback RUSH TITAN Voyageur PRO RMK





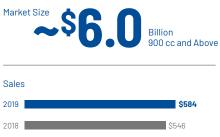


### MOTORCYCLES

Cruising, Day Trips, Around Town and Commute Indian Motorcycle Slingshot

Pictured: Indian Scout





# 2017 \$576

#### Gross Profit Margin

2019	7	.5%
2018		11.6%
2017	2.9%	



#### GLOBAL ADJACENT MARKETS

#### Colleges, Universities, Municipalities, Urban Deliveries and Material Handling

Polaris Commercial GEM Goupil Taylor-Dunn

Pictured: GEM e4

# Military: Army, Navy, Marines, Air Force and Special Ops

Polaris Government & Defense

#### Rural, License-Free Drivers Aixam

# Recreation Outfitters, Resorts and Tourism Hubs

**Polaris Adventures** 



Market Size



### AFTERMARKET

Accessory Applications Including: Suspensions, Tires and Wheels, Bumpers, Sidesteps, Roof Racks, Cargo Solutions, Grill Guards, Winches and Gauges Pro Comp

110 comp	
Rubicon Express	
Smittybilt	
Trailmaster	
4WP	
G2	
Poison Spyder	
LGR Rims	
Kolpin Outdoors	
Pro Armor	Pictured:
Trail Tech	RANGER CREW XP 1000

#### **Apparel and Ride Gear**

KLIM 509







#### BOATS

#### **Cruising, Fishing and Skiing**

Bennington Godfrey Hurricane Rinker Larson Striper

Pictured: Bennington 25 GSBA





Sale	6		
2019			\$621
2018		\$280*	

#### Gross Profit Margin

Gros	s Profit Margin		
2019			<b>20.1</b> %
2018		16.5%*	

\*Acquired July 2018

# Q&A WITH LUCY CLARK DOUGHERTY



Lucy Clark Dougherty Senior Vice President and General Counsel, Chief Compliance Officer and Secretary

Polaris Corporate Responsibility Committee Chair Realizing this report covers our 2019 efforts, please permit me to take a moment to acknowledge the toll that, as of our April 2020 publication date, COVID-19 has taken on our employees and the communities in which we live, work and ride around the world. Here at Polaris we immediately reviewed and implemented health care guidance to enable our people to work safely, as permitted by various local and country orders. As we work from home, school our children outside the classroom, we have not forgotten our commitment to giving.

Geared for Good is a belief, not simply a slogan. To this end, we have team members working shifts at Smith Medical to manufacture IV pumps; KLIM and 509 are donating goggles to Goggles for Docs; and our 4WP stores are supporting first responders, medical workers and other essential workers with free services like alignments and tire rotations. We've also seen our employees rallying around their communities by sewing masks and using 3D printing technology to make face shield frames for local hospitals and first responders. On behalf of Polaris, thank you to those who stand in the vanguard of the fight to care for the sick and keep our communities safe.

# Q: Now that Geared for Good has been in place for a full year, how has it changed Polaris' corporate culture?

Our culture strongly values being a good corporate steward and doing the right thing for our employees, customers and communities.

Geared for Good has amplified that value by adding structure to those efforts while identifying measurable and meaningful opportunities for Polaris to do more and be better. By creating a formalized framework and setting challenging but attainable goals we have crystallized our team's focus on these initiatives.

# Q: Why is Geared for Good important to Polaris?

Polaris' vision is to enrich the lives of the riders, workers and outdoor enthusiasts who interact with our brands. Geared for Good is an important part of that vision. Under its auspices, we are accelerating our efforts to reduce our environmental impact and protect the outdoors so future generations can enjoy the beauty of nature.

We also continue to enhance the safety and quality of our products to deliver a safe and fun riding experience. And we give back to the communities where we live, work and play. Geared for Good encompasses all this and so much more; it permeates everything that allows us to Think Outside.

# Q: What is the role of Polaris' Corporate Responsibility Committee (CRC)?

The purpose of the CRC is to define and prioritize Polaris' Geared for Good initiatives, then coordinate and assist the teams charged with implementing them. The CRC works across Polaris to enable both top-down and bottom-up support for our strategy and marshal the resources needed to execute it. In concert, the CRC's activities enable Polaris to be a positive influence on our stakeholders – from riders and employees to the communities where we operate.

# Q: What aspects of Geared for Good flourished in 2019, and how do you intend to build on them moving forward?

Polaris was built on innovation and Geared for Good provides another outlet for our creativity. Our employees have rallied around Geared for Good, identifying numerous ways for us to improve. By taking their enthusiasm and establishing an infrastructure to harness it, Geared for Good has begun to inform much of what Polaris does, from fostering partnerships with the Nature Conservancy to protect the Mississippi Headwaters to inspiring rider safety initiatives like Ride Command Buddy Tracking.

This year, we will build on our opening efforts, utilizing the company's first corporate responsibility materiality assessment. This appraisal gives us a clearer indication of how to allocate our resources, and it will serve as the foundation for our work in 2020 and beyond.

# **MATERIALITY ASSESSMENT**

Transforming our Geared for Good efforts into a more formalized strategy requires a deep understanding of tomorrow's challenges and where Polaris has the greatest opportunities to make a difference. With that in mind, we partnered with Business for Social Responsibility (BSR) to conduct our first formal materiality assessment in 2019.

A trusted voice in the corporate responsibility space, BSR is a global nonprofit with a deep understanding and demonstrated expertise in corporate responsibility that spans across industries and issues. The goal of this assessment was to determine the areas that our various stakeholders believe to be most material in connection to our long-term strategy.

The results are steering our corporate responsibility strategy, helping us focus our efforts, investments and resources on the environmental, social and governance topics that are the most important for our internal and external stakeholders, as well as critical to our business goals. The materiality analysis followed a three-step process:

1) Topic Identification

2) Stakeholder Feedback

3) Prioritization

#### **TOPIC IDENTIFICATION**

The first step in the materiality process involved a deep analysis of company priorities and strategies, competitor information, relevant reporting frameworks and trend and risk reporting to establish a list of potential environmental, social and governance topics for consideration.

Through this we established six overarching categories: Products and Customers, Environment, Supply Chain, Employees, Community and Ethics and Governance. Using these categories as pillars, BSR led us through validating and refining a list of 28 topics which were used for the basis of stakeholder feedback.

#### STAKEHOLDER FEEDBACK

With our topic list complete, we engaged internal and external stakeholders in a series of interviews to help us best align which of the 28 topics are most material to our organizational strategy. We interviewed a broad range of stakeholders, including global employees, executive leaders, nongovernmental organizations, investors, suppliers and category subject matter experts. Based on these interviews we incorporated feedback to better define and further validate the topics as it relates to our organizational strategy.

#### PRIORITIZATION

Once we completed our stakeholder feedback sessions, BSR helped to compile, analyze and plot our initial results. Using that analysis, the CRC evaluated and pressure tested the findings before finalizing the priority list of topics:

Product Use and Safety

**Product Innovation** 

**Customer Satisfaction** 

Talent Attraction, Retention and Development

Responsible Marketing and Communications

Land and Water Impact

Responsible Supply Chain Management

The results of this analysis are now being used to inform and prioritize our short and long-term corporate responsibility goals. We are energized by the findings of this effort and believe it will further guide our corporate responsibility strategy to best align to the needs of our business as noted by our stakeholders.





# ENVIRONMENT

We exist to help people discover the possibilities that are found outside. Our entire DNA centers on exploring and working in beautiful, natural places. Mindful of our history and our future, our focus is on sustainable operations in our manufacturing, distribution and office facilities and enabling consumers to ride safely.

By fostering sound environmental management practices, Polaris can offer innovative products and services while creating a future where generations to come can Think Outside.



#### ENVIRONMENTAL STEWARDSHIP

In 2019, we exceeded our initial goals by meeting two of our three environmental stewardship goals three years early: a 5% reduction in greenhouse gases and a 5% improvement in energy efficiency.

We continue to make progress against our 2022 renewable energy goal, while continuously challenging ourselves to think about how we responsibly use resources.

We plan to spend 2020 working towards our 2022 Total Renewable Energy goal, while also assessing what environmental goals should come next. The following locations are the basis for measuring our environmental goals.

#### UNITED STATES

Huntsville, Alabama Manufacturing

Anaheim, California Manufacturing

Spirit Lake, Iowa Manufacturing

Roseau, Minnesota Manufacturing

Wyoming, Minnesota Research & Development Spearfish, South Dakota Manufacturing

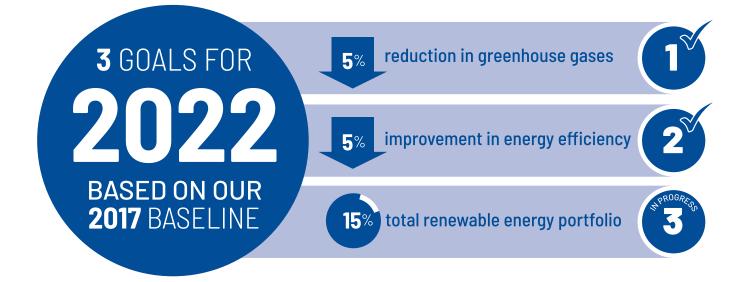
Osceola, Wisconsin Manufacturing

MEXICO

Monterrey, Mexico Manufacturing

EUROPE

Opole, Poland Manufacturing



#### **GREENHOUSE GAS EMISSIONS**

In 2017 we established a five-year greenhouse gas (GHG) reduction goal to drive a 5% reduction in operational emissions at our largest emitting facilities by 2022. In 2019, we met our goal by achieving an 8.8% reduction in tons of carbon dioxide equivalent (C02-e) compared to our 2017 target.

## **GHG IMPROVEMENT (THIRD-PARTY VERIFIED)**

Year	2018	2019	Cumulative Total
Percent improvement vs. 2017 baseline	4.18%	4.64%	8.8%
CO2-e tons reduction	4,406	4,891	9,297

# 8.8% reduction in greenhouse gases

by 2019, exceeding our 2020 goal of 5%

2017 Baseline: 105,476 Metric Tons CO2e

#### ENERGY EFFICIENCY

In 2017 we set a goal to drive a 5% improvement in energy efficiency across our largest energy-consuming operations by 2022. In 2019 we exceeded that goal, having implemented projects resulting in a 7% savings versus our baseline.

Examples include:

LED lighting projects in our Monterrey facility, resulting in approximately 13,900 Giga Joule (GJ) in energy savings

Roof installation project at our Monterrey facility, resulting in about 12,700 GJ in energy savings

Injection molding press replacements in our Roseau facility, resulting in approximately 1,900 GJ in energy savings

While we are proud to have achieved our goal, our work is not done. We will continue to find ways to decrease our energy demand, starting by deploying the Department of Energy's 50001 Ready program across our largest energy consuming sites.

Our Huntsville facility has already executed this process, resulting in roughly 14,000 GJ of energy savings. Implementing this program at other sites will help us establish a comprehensive energy management system framework.

#### HUNTSVILLE DOE RECOGNITION

Our Huntsville plant is now 50001 Ready. This standing, awarded by the U.S. Department of Energy (DOE), recognizes the facility's energy saving and sustainability efforts. By considering the energy impact of a variety of tasks and implementing simple operational changes, we saved more than 2.6 million kilowatt hours and almost \$200,000 in energy costs.

For full details, visit https://bit.ly/2S0xwMw

# 7% improvement in energy efficiency

by 2019, exceeding our 2020 goal of 5%

### ENERGY EFFICIENCY RESULTS (THIRD-PARTY VERIFIED)

Year	2018	2019	Cumulative Total
Percent improvement vs. 2017 baseline	4.15%	2.97%	7.1%
GJ reduction	41,812	29,940	71,752

2017 Baseline: 1,007,030 GJ Total energy used within manufacturing operations: 1.38 million GJ Energy GJ/sales \$: 0.20

We continue to make progress in adding renewable energy sources to power our operations. These efforts support our five-year goal of having

15% renewable energy by 2022



#### RENEWABLE ENERGY

We continue to make progress in adding renewable energy sources to power our operations. These efforts support our five-year goal of having 15% of our portfolio comprised of renewables by 2022. Reaching this goal takes commitment from various teams throughout Polaris. An example of this cross-functional teamwork is showcased through our facility and strategic sourcing teams. Our strategic sourcing teams regularly review our energy sources and choose renewable options when fiscally feasible in partnership with each impacted facility.

We currently contract about 5,900 MWhs of wind energy to supply power to our two corporate office facilities, and in 2020, our Goupil facility plans to install 2,100 MWhs of onsite solar energy to power their operation.

#### AIR

Polaris actively deploys control strategies to improve and manage emissions from our operations, including investigating the use of lower VOC emitting raw materials or fuels, installing pollution control technologies and making efficiency improvements to existing processes.

Impacting emissions extends beyond our operations with unique uses for our various electric vehicles. In January 2019, the city of Anaheim, California, Anaheim Resort Transportation and Polaris launched a forward-thinking microtransit program called FRAN – Free Rides Around the Neighborhood. FRAN uses all-electric Polaris GEM vehicles to transport users around the City Center area. Users simply request a ride on the app and meet their driver at a designated pick-up location. They are then transported on one of 10 allelectric Polaris GEM vehicles to a downtown restaurant, shop or hangout of their choice.

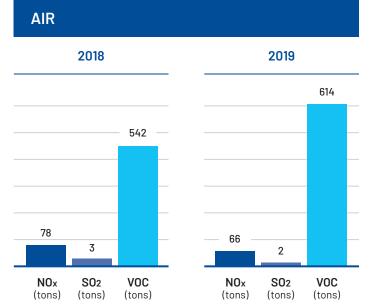


### "

Polaris is passionate about staying on the forefront of microtransit innovation. We feel right at home here in Anaheim and are proud to produce the FRAN fleet in the city.

#### Keith Simon,

Polaris Commercial and Government Vice President and General Manager





"Anaheim has a history of innovation and imagination and the City has outdone themselves with this microtransit system," said Polaris Commercial and Government Vice President and General Manager Keith Simon. "Polaris is passionate about staying on the forefront of microtransit innovation. We feel right at home here in Anaheim and are proud to produce the FRAN fleet in the city." This free, environmentally-friendly public transportation option is one of the first in the country.

A video outlining the project can be found at https://www.instagram.com/p/BtEGr3eAfAD/

Read more about the project here: Anaheim Debuts Unique, All-Electric Microtransit Service



WATER USAGE

**2018** 89 MILLION GALLONS 2019 86 MILLION GALLONS **3%** REDUCTION IN 2019

#### WATER

As the global demand for water increases, we are committed to using this vital resource responsibly. While our manufacturing uses minimal water and we do not have operating assets in high or extremely-high water-stress regions where water resources are scarce, we work to understand how it's being used and if there are opportunities to further improve our usage, including quarterly preventative maintenance to identify equipment leaks.

Beyond meeting all local and national standards for wastewater discharge, we also work to control general water usage in various facilities. Moisture sensors to limit watering, irrigating in optimal hours, aerators on faucets and low flow toilets are a few of these examples.

Water also represents one of the ways Polaris helps people experience the outdoors. Driving stewardship of bodies of water is necessary for future generations to enjoy the benefits that a day on the water can bring. In support of this, the Polaris Foundation engaged in various efforts in 2019 directly related to understanding and protecting water.





#### MISSISSIPPI HEADWATER PROTECTION

A \$50,000 donation was made to The Nature Conservancy to protect and preserve the Mississippi River at its source. A multi-faceted effort was developed to protect this iconic waterway which touches much of America's heartland.

The work focused on protecting the waterway for recreation, business and consumption. It's estimated that nearly 1.2 million Minnesotans rely on the great Mississippi for their drinking water. Pollution and deforestation were impacting each focus area, but the consumption safety was especially concerning. Through these efforts consumption, business and recreation are being protected for years to come.

#### SUPPORTING WATERSHED RESEARCH CENTER

A custom 2020 Hurricane Center Console deck boat was donated to the Science Museum of Minnesota's St. Croix Watershed Research Center. This boat is being used to learn more about the blooms of blue-green algae appearing on lakes across Minnesota.

With the capacity to carry hundreds of pounds of equipment and an open-concept layout, the boat will help researchers work safely and efficiently.

#### WASTE

Polaris understands the broad reaching impact of waste. As we continue to produce more vehicles and add new business we will see our waste impact grow, as it did in 2019. While we employ good practices and follow recognized industry standards, including properly recycling electronic waste, we used 2019 to establish a baseline of our impact. In 2020, we intend to build programing to further minimize our footprint.

One element that will remain is our effort to prioritize disposal facilities that have demonstrated they have systems, technologies and practices in place to dispose responsibly and in compliance with all requirements.

# ransamerican

#### RECYCLING AT TRANSAMERICAN AUTO PARTS

In Fall 2019, Transamerican Auto Parts (TAP) implemented a cardboard recycling program at its' headquarters and largest distribution center in Compton, California, through which it reduced its waste output by approximately 38 tons.

TAP expects the waste reduction effected by this program to continue at the same rate throughout 2020 and is also looking to implement a similar program at its other distribution centers across the country.

### PERFORMANCE

Year	2017	2018	2019
Hazardous Waste (tons)	851	1,072	1,248
Non-Hazardous Waste (tons)	2,450	3,084	4,871
Recycled Waste (tons)	17,328	19,512	26,247



#### **RECYCLING AT POLARIS BOATS**

Last spring, Polaris' Environmental Health and Safety team launched a recycling pilot program at Godfrey Plant Three in Indiana. Our operations focus on minimizing impact, but the spirit of this effort was to see if we could further improve. This started with evaluating and improving our sorting processes throughout the facility and establishing relationships with recycling service providers in the area.

In 2020, the program will continue, and systems will be implemented to track total impact.

#### PACKSIZE MACHINES

In 2017, Polaris instituted a new system to optimize packaging productivity and minimize environmental impact. A new system centered around Packsize machines, a machine for corrugate packaging, allows us to better impact packaging efficiency. Palletized cardboard feeds into the machine, which then cuts and glues the cardboard into any one of hundreds of box size options, eliminating wasted packaging.

Read more: https://bit.ly/3eHLGb9



#### RADIATOR PACKAGING IN ROSEAU

In 2018, we successfully changed the radiator packaging material at our Roseau facility from foam blocks to recyclable cardboard containers to reduce waste. During this process, the team recognized additional waste reduction opportunities. In 2019 the team began approaching select vendors regarding changing package materials from non-recyclable wood to reusable cardboard.

Partnering with a packaging engineer from the Logistics group, the Roseau team was able to reduce wood waste by about 50%, diverting approximately eight tons of waste per month from landfills and reducing disposal costs. This impact was made with just this single supplier.

#### HUNTSVILLE WASTE REDUCTION

As production in our Huntsville facility grew, so did our use of packaging to store the parts coming off injection molds. In addition, the packaging was showing wear after a single use and needed replacement after the second.

Recognizing an opportunity to reduce spending, improve efficiency and reduce waste, an engineer enlisted a team to put together a recommendation for reusable packing. Through their efforts, Huntsville have begun using new containers with a reuse life of six to 10 years.

This change resulted in a reduction of one million pounds of packaging waste from more than 40,000 expendable packing assemblies. It has also saved 638 labor hours and the equivalent of 90 miles of packaging tape.

Read more: https://bit.ly/37Y5DFP

### **BENEFITS OF RETURNABLE PACKAGING**



31 fewer trucks used for shipping bails







1 million+ less lbs. expendable packing waste



683 hours saved in set-up time



90 miles saved in packaging tape



41,000 fewer tips to the bailor

## **COMMUNITY IMPACT**

We exist to help people discover the possibilities that are found outside, but we know we need strong partners to help us protect and impact the places we explore.

#### T.R.A.I.L.S. GRANTS

Since 2006, Polaris has been helping off-road vehicle (ORV), all-terrain vehicle (ATV) and snowmobile organizations across the U.S. through our T.R.A.I.L.S. Grants program, which works to promote safe and responsible riding and support environmental preservations and trail access. Funds can be used to increase and maintain land access through trail development, maintenance efforts, safety and education initiatives and other projects.

In 2019, 23 local, state and national organizations received more than \$200,000 through this first-in-industry program.





Since receiving funding in 2018, the Tonto Recreation Alliance in Arizona has been working to create and install maps for OHV users on multiple trails.

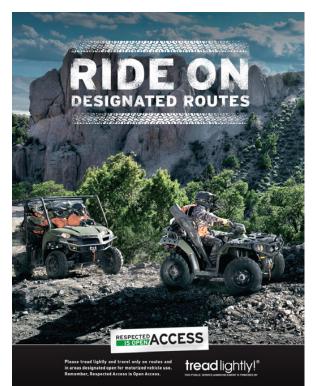


Friends of Cow Mountain, a California-based organization and 2018 grant recipient, used their funding to purchase a trailer that can transport the excavator they use to facilitate trail improvement projects following fires and to help pay for an equipment operator.



#### AMERICAN SAND ASSOCIATION

The American Sand Association (ASA) is committed to keeping the Imperial Sand Dunes Recreation Area (ISDRA) open to off-highway vehicle (OHV) use. ASA's goal is to "UNITE, INFORM and MOBILIZE' the sand dunning community to protect the right to ride on all public lands in a responsible, environmentally balanced manner." Polaris is proud to be a platinum sponsor in helping ASA work towards this goal.



#### TREAD LIGHTLY!

Tread Lightly! is on a mission to "Promote responsible recreation through stewardship, education and communication". Polaris Adventures' off-road locations are proud members of this group, with Tread Lightly! principles and best practices integrated into their business operations. From responsible riding and education to respecting the environment, members model appropriate behavior and help riders enjoy the outdoors responsibly. Polaris Adventures further supports these principles by working to minimize impact and eliminate trash and debris in ride areas.



#### DUCKS UNLIMITED, INC.

Ducks Unlimited conserves, restores and manages wetlands and associated habitats for North America's waterfowl. Be it through vehicle discounts or product donations supporting fundraising efforts, Polarisinclusive of brands like Kolpin and KLIM-is honored to support their efforts.

With events extending across Minnesota, Wisconsin and Michigan, 2019 fundraising efforts surrounding our vehicles raised enough money to conserve roughly 3,500 acres of habitat.



#### PHEASANTS FOREVER

Pheasants Forever is dedicated to the conservation of pheasants, quail and other wildlife through habitat improvement, public awareness, education and land management programs. Since 2015, Polaris has been supporting Pheasants Forever's habitat through monetary and vehicle donations.

In 2019, we were honored to receive their Corporate Partner in Conservation Habitat Stewardship Award.

#### CAMP RZR CLEANUP

In 2017, the Glamis Black Bag Project (GBBP) was launched by AXA Off Road with a focus on encouraging good environmental stewardship of the dunes. Following Camp RZR 2019, which drew more than 15,000 people to California's sand dunes to enjoy off-road riding, a group of Polaris employees partnered with GBBP to scan the dunes for trash in order to leave the dunes as they were found.





#### HABITAT FLATS

Habitat Flats is one of North America's top waterfowl lodge networks. In 2019, Polaris proudly supported their conversation efforts through funding and a vehicle donation. The vehicle specifically is used to tend and care for the land in a more accessible manner.



#### ROCKY MOUNTAIN ELK FOUNDATION

The Rocky Mountain Elk Foundation (RMEF) is on a mission to "ensure the future of elk, other wildlife, and their habitat." Through a \$30,000 donation, Polaris is supporting RMEF in this mission. At Polaris, we believe in empowering teams to make impacts big and small. Here are a few examples of employees doing just that:

#### HUNTSVILLE ADOPT-A-MILE

Partnering with the Downtown Huntsville Green Team, Polaris Huntsville adopted a one-mile section of road outside their facility. In December 2019, the team held a two-day clean-up which signifies the start of planned quarterly Huntsville beautification efforts for 2020.

#### CLEAN THE CREEK

In July 2019, members of Godfrey Hurricane's Safety Committee organized a Clean the Creek event to raise awareness of the importance of environmental stewardship. The team used kayaks to travel a local creek and pick up trash. The team collected almost 300 pounds of trash during their threehour trip. Visit the creek with the team at https://youtu.be/ agbexhFEKJg.

#### ROSEAU ARBOR DAY TREE GIVEAWAY

To recognize Arbor Day, the Roseau Environmental, Health and Safety Team provided each Roseau employee with a free sapling from the Roseau County Soil and Water Conservation District. In total, 1,400 White Pine, Blue Spruce and Norway Pines were distributed for employees to plant in the location of their choice.

# SAFETY & QUALITY: PRODUCTS & FEATURES

## I DECIDE: DRIVING A QUALITY AND SAFETY CULTURE

Polaris is committed to delivering product safety and quality that meets or exceeds customer expectations through a safety and quality culture driven by personal accountability, empowerment and continuous improvement. I DECIDE communicates to our employees this expectation and holds each of us accountable to listening when a hand is raised.



- Improving our systems and processes by speaking up when I see something that needs to be addressed
  Decisions based on logical analysis of objective data
  Effective processes that get results
  Cultural expectations that inspire and challenge
  Insights into our customers' needs
  - Developing and using my abilities to achieve maximum benefit
  - Engaging in mutually beneficial relationships with suppliers and customers



We are continually improving our processes to monitor, identify, improve and, most importantly, work to prevent product issues.

By leveraging our I DECIDE culture along with the talent and expertise of our employees, organizational strengths and infrastructure, we expect to be able to deliver industry-leading results that delight customers.

#### CONTINUOUS IMPROVEMENT IN PRODUCT SAFETY AND QUALITY

Safety and quality are paramount at Polaris. We are committed to designing and building safe, innovative and high-quality vehicles that help people find possibilities in work and play in the outdoors. We have and will continue to invest in the people, processes and tools to continuously improve the safety and quality of our products and services. In the last three years, Polaris has implemented—and revised through continuous improvement—key structural reviews and processes to improve the safety and quality of our products for customers, including:



Established the Global Product Safety and Quality Organization—led by a long-time, auto-industry veteran and populated with an assortment of top talent from across the company.

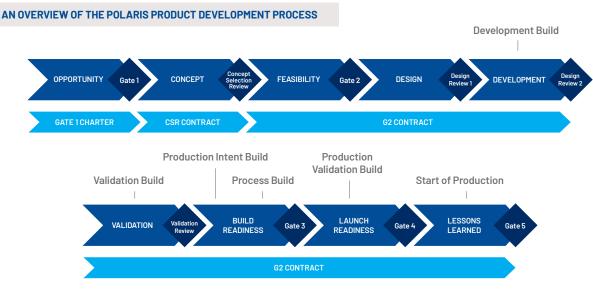
Revamped our Product Development Process (PDP) to drive best-in-class development and manufacturing process (discussed further below).

Enhanced our Post Sales Surveillance (PSS) to better monitor vehicles in the field and respond to potential safety issues.

Created three new executive committees to deliver on this commitment:

The Executive Safety Committee (ESC) reviews new advancements in product safety as they relate to our product and service offerings.

The Safety & Quality Review Committee (SQRC) and the Executive Review Committee (ERC) review and escalate potential safety issues.



#### PRODUCT DEVELOPMENT PROCESS

The Product Development Process (PDP) is the stage gate process that Polaris uses to transform products and services from initial market opportunity to launch. It's an integrated, cross-functional approach that has elements of product safety, quality and global regulatory compliance throughout. PDP is based on automotive, medical device and drug manufacturing industries' best practices.

The process provides a set of standard work instructions and tools to guide project teams on how to successfully execute varying size, scope and level of investment programs. It drives focus on product safety, quality and regulatory compliance through industry-accepted design risk management processes and tools such as Design Failure Mode and Effects Analysis (DFMEA), Design Review Based on Failure Mode (DRBFM), Process Failure Mode Effects Analysis (PFMEA) and control plans. The Design Assurance group provides oversight and governance to the PDP process by performing independent assessments and audits of key deliverables throughout a project.

The VP of Global Product Safety and Quality (GPSQ), who reports to our CEO and EVP of Operations, Engineering and Lean, plays a critical role to make sure project teams are executing the PDP deliverables to a high level of quality. This allows the PDP process to sit independent from our global business units and gives the VP of GPSQ full authority to stop a project and/or production when there are safety or quality concerns. PDP is our stage gate process for integrated product development and validation designed to drive product safety, quality and global regulatory compliance in the development and manufacturing process.

### "

Our Post Sale Surveillance organization was created several years ago to drive global product safety on behalf of all our customers and riders, and that mission drives our work every day. Our team received the award for our use of automated analytics to identify potential safety scenarios with our vehicles, ultimately allowing Polaris to respond faster with trend detection and also providing a faster resolution to our customers.

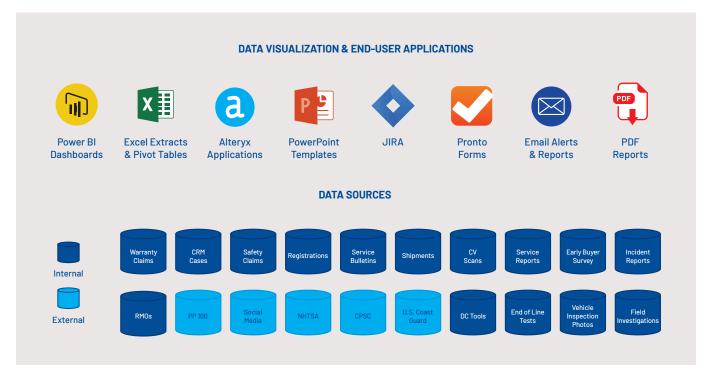
#### Jason Lahr, Modern Analytics Lead

#### POST SALE SURVEILLANCE

After vehicles are sold, Post Sales Surveillance (PSS) utilizes various technologies to detect safety and quality signals and trends through a combination of internal expertise, field inputs and advanced algorithms. Once a signal or trend is identified, investigation is undertaken by cross functional Safety and Quality Review Committee (SQRC) which elevates potential safety related matters to the ERC, which is comprised of Polaris' SVP and General Counsel, EVP of Global Operations and the relevant Global Business Unit President. The ERC determines course of action and remediation (without consideration of financial impacts). These efforts dramatically improve safety and quality for consumers by increasing early detection and minimizing the impact on customers.

The PSS team is also continually innovating. As part of continuous improvement, we look for new data sources and methods for analyzing the information. One tool for analyzing is Alteryx. Alteryx empowers brands to intuitively blend and understand data for predictive purposes. In 2019, two members from our Post Sales Surveillance Data Analytics team were recognized with an Alteryx Analytics Excellence Award.

The award is given to those who use the Alteryx platform to make a game changing impact.



# FACTORY INSPECTION TECHNOLOGY ADVANCEMENTS

In 2019, members of Data Science and Analytics team developed a proprietary tool that is now in use at our Roseau, Spirit Lake and Osceola facilities to automate a variety of safety inspections. As of late December 2019, more than 100 manual inspections have been automated and that number is expected to quadruple in 2020.

This is just one example of how continuous improvement supports our goal of exceeding customer expectations regarding quality and safety.

#### SEEING RESULTS

Polaris, with its Global Product Safety and Quality organization and improved PDP and PSS processes, is seeing continuous improvement in safety and quality. Our model year 2019 product portfolio is outperforming the previous model years on several safety and quality data points, warranty claims as a percentage of revenue is declining and we are optimizing the safety claim and field investigation processing times.

While these improvements are important, we will never stop our efforts to continuously evolve in our work to impact safety and quality for our customers.

#### EXPANDING PUBLIC SAFETY PRODUCT LINE

In 2019 we expanded our public safety line. Designed to help law enforcement, fire and EMS departments keep the communities they serve safe, the new additions provide additional public safety options that help improve response time and extend reach. The street-legal GEM and indoor-use Taylor-Dunn electric vehicles join the popular off-road and over-the-curb RANGER vehicles configured for public safety applications.

GEM is the first commercially produced, street-legal, low-speed vehicle in the U.S. providing a sustainable and economical option for public safety applications. With zero emissions and low operating costs, it can be configured with a full stokes basket, attendant seat, oxygen bottle brackets, AED and medical bag storage and emergency lighting. The Taylor-Dunn Bigfoot is Polaris' all-electric solution for indoor and closed campus use with an ergonomic design, narrow width and tight turning radius. The public safety options include non-marking tires, full stokes basket, attendant seat, emergency lighting, AED and medical bag storage areas, siren and firefighting equipment.

#### CHEMICAL SAFETY

Polaris is furthering our commitment to govern the use of chemical substances in our products and adhere to strict global product chemical regulations. As a proactive measure, Polaris created a dedicated substance compliance team whose primary function is to monitor current, future and evolving global substance regulations. Furthermore, Polaris has partnered with Assent Compliance, a global leader in supply chain data management, for assistance in regulatory guidance and supply chain data collection. Polaris and Assent together have gathered more than 450,000 declarations contributing to the registration, proper markings and improvement of future designs of Polaris products.

#### PARTNERSHIPS

In 2019, Polaris joined the Automotive Industry Action Group (AIAG), a nonprofit that brings together OEMs, suppliers, service providers, government entities and individuals working in academia to collaborate on ways to lower costs and decrease complexity in the automotive supply chain. Since joining, we have been utilizing their tools and trainings, with plans to leverage them across the organization to build competencies and align our processes with proven industry solutions.

This partnership, along with our work with Assent Compliance in chemical safety, support ongoing efforts to help mature our quality systems and tools to meet customer demands and compliance requirements.





#### **QUALITY STAR AWARDS**

At Polaris, we expect the best for our customers and know that our decisions and everyday actions impact the overall quality of our products. Fostering a culture that values quality allows us to deliver on those expectations. Polaris employees are empowered to help the company prevent safety issues throughout the design, manufacturing and use of our vehicles. Each year we recognize employees who demonstrate a commitment to safety and quality through our Quality Star Awards. In 2019, recipients were celebrated by our EVP–Global Operations, SVP–General Counsel, SVP and Chief Human Resource Officer, President of Off-Road Vehicles, their peers and partners and beyond. In 2019, seven employees were recognized with Quality Stars from a total of 285 nominations, including:

Operator Marian Peoples (Huntsville) for proactively identifying a need to improve the quality of a supplied component to assure the ongoing quality to the customer.

Painter Dennis Kurth (Spirit Lake) for identifying an opportunity to increase the weld robustness on our Indian Motorcycle FTR, in turn showing continued commitment to quality for our customers.

Senior Design Engineer Evan Wozniak (Wyoming) for stepping in to improve the quality and durability of a part for our RZR Pro XP.

The winners and nominees showcase the spirit of teamwork, attention to detail and customer focus that define our workplace. They make us better and exemplify our safety and quality culture.

## **RIDER SAFETY INITIATIVES**

At Polaris, we care about the well-being of all riders and those around them. As the global leader in powersports, we are committed to promoting safe riding habits. This includes providing various tools, content and opportunities that educate and inspire riders of all ages and backgrounds.

#### **RIDE COMMAND**

STATS 220,000 App Downloads

322,000 Portal Sessions

**331,000** Tracked Rides

**431,000** Active App Users

**350,000** Hours of Group Riding





Polaris' Ride Command technology provides riders with the ability to connect with others to plan routes, track rides, share experiences and foster community among riders. Ride Command also provides a wide range of safety features such as Buddy Tracking which helps riders keep track of one-another in even the most remote riding locations. Accessible via a mobile app, website and on-vehicle displays of some models, it also provides riders with maps on and offline when cellular data is enabled. The latest off-road vehicles can even communicate without a clear cell phone signal. If someone in the group were to stop or get off course, others can pinpoint their location and assist.

Our Ride Command app and all its capabilities is available to anyone, not just Polaris riders, and users can share planned rides in advance to help everyone prepare for their adventure. Plus, in April 2019, we launched 3D flyover capabilities for the maps, providing a birds-eye preview of the trail.

Download Ride Command here: https://ridecommand.polaris.com/en-us/home\_







#### TOMA EL CONTROL

In 2019, Polaris Mexico created a campaign to motivate riders to enjoy a safe and responsible offroad experience. Connecting with more than 9,000 riders at events, plus additional reach through tailored communications, they focused on various elements from safe equipment use to driving tips to machine care. Through this effort the team also provided participants with trash bags which resulted in the collection of over 2,000 pounds of waste.



#### POLARIS ADVENTURES

Safe. Memorable. Adventures. That's what Polaris Adventures provided on more than 130,000 rides across over 125 locations in 2019. Now in its second year working with local outfitters – including new partners in Kauai, Hawaii; St. George, Utah; the Poconos in Pennsylvania; Michigan's Upper Peninsula; and Denali, Alaska – we offered adventure seekers the chance to enjoy memorable experiences regardless of their skill level. Polaris Adventures makes it fun and easy for people to get on the trail, enjoy the outdoors and try something new, and the vehicle selection offered reflects that.

We offer a variety of easy-to-use options like the RZR XP 1000 and Polaris Indy, plus a digital check-in platform designed to get riders up and running quickly and safely.

Rides through Polaris Adventures extend the world of powersports to a wider audience. More than 95% of participants are new to Polaris and powersports. We are proud that we are able to introduce these riders to the powersports experience with clear guidance on safety and proper operations. Before beginning their experience, riders are required to watch a safety video which reviews key topics such as what to wear, vehicle walk-around, riding regulations and practices and more.

Additionally, for all off-road experiences, outfitters provide riders with helmets, gloves and eye protection and have additional gear such as jerseys and handwarmers available. Although many experiences allow for an optional guide to accompany riders, all moderate- or expert-level rides require a guide to provide the safest experience possible. We hear time and time again that riders value these opportunities and the focus on safety for all.



#### EDUCATING YOUNG RIDERS

The Polaris Foundation was recognized with West Virginia 4-H's Organizational Partner of the Year Award for a donation made to their organization. The gift included a traveling trailer, two youth ATVs, ASI Rider course training for 10 instructors and supplies to help the organization with its focus on youth rider safety.

With the appropriate amount of equipment and ability to move it around the state, West Virginia 4-H is certifying instructors in safety across each of the organization's three disciplines: 4-H and youth development, agriculture and family and community development.

Soon, West Virginia 4-H will be adding ATV safety training to a workforce development program in partnership with the oil and gas industry, which will provide high school seniors with free SafeLand USA training, ATV Rider Course training, Job Readiness training and First Aid/ CPR/AED training.

# **SAFETY & QUALITY: EMPLOYEES**

Our guiding principle of Safety and Ethics Always is a cornerstone of our safety and quality culture and how we operate in all areas of Polaris. We strive to provide work environments that are safe and protect the overall health and wellness of all our employees.

Since many of our employees also utilize our vehicles, we extend these efforts to offer employee training and education related to safe riding practices.



#### AUDIT PROCESS IMPLEMENTATION

To better assess risks Polaris employees may face at work, in 2019 we implemented location-specific, risk-based audits that focus on observing general operating conditions, people and processes.

Auditors began by spending time in our retail service centers and manufacturing environments, talking with and observing employees as they conducted specific tasks related to their work. The auditors then established checklists based on standards, permits and other documented compliance elements. After the checklist was created, the auditors spent time with the local team to help them understand the requirements, educate on why the requirements are important to follow and determine necessary next steps.

These audits have helped drive a significant decrease in our total recordable incidents rate (TRIR), including a 42% reduction in incidents at our TAP facilities. In 2020, the audits will continue with new locations being considered.

24

#### FOSTERING A CULTURE FOCUSED ON EMPLOYEE SAFETY

Our minimum standards of care program and Life-altering Incidents and Failure-cause Elimination (LIFE) risk reduction tools help drive compliance and keep our team members, contractors and communities safe. In 2019, we saw a 40% reduction in our total recordable incident rate (TRIR) across the organization, as well as a 33% decrease in our lost day incident rate (LDIR) – both of which are well below industry averages.

These year-over-year improvements speak to both educating around and living our guiding principle of Safety and Ethics always.

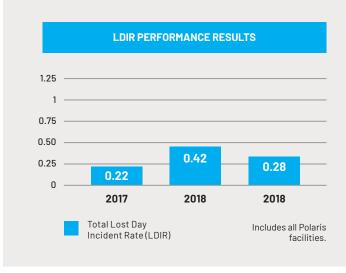


Goal: ≤ 1.2

Achieve a Total Recordable Incident Rate of at or less than 1.2 by 2023



LDIR= # of Lost Time Cases x200,000 ÷ Hours Worked





## **EMPLOYEE SAFETY PROGRAMS**

Our employees' safety is not something we take lightly. Everyone should leave work in the same condition that they arrived. To help achieve this, we offer a range of trainings and resources to help employees remain as safe as possible while at work.

Our health and safety risk reduction platform – Focus on LIFE – guides our actions, policies, procedures and culture through five fundamentals:

**1.** All occupational injuries and illnesses can be prevented

**2.** Hazardous operating exposures can be controlled

**3.** Leadership is accountable for safe operations and the safety and health of the workers under their direction

**4.** All employees and contractors have personal accountability for safety

**5.** Assessment and continuous improvement are a requirement



In Wyoming, Minnesota, employees enjoyed offerings such as meditation and yoga courses, conversations with nutrition experts, employee benefit overviews, on-site mammogram testing and more.

At all Polaris Boats' locations in Indiana, activities included a Red Cross blood drive, kayak races to emphasize water safety, a rock wall to spark discussion around fall protection, yoga and massages and more. Various local vendors were also on-site to talk with employees, including the Grainger Shoemobile, personal protective equipment and healthcare vendors, as well as local fire safety and police.







#### LIFE SAVER PROGRAM AND EHS&S WEEKS

Established in 2018, we continued our commitment to zero employee injuries through the LIFE SAVER Program. This program asks employees to commit to, be accountable for and value their coworkers' safety by eliminating unsafe conditions and recognizing safe behaviors in the workplace.

In 2019, each Polaris location was required to organize a wellness fair or Environmental, Health, Safety & Security (EHS&S) week to engage and educate employees on environmental, health and wellness, safety and security topics related to their lives both on and off the job. Each location was able to customize their events to best serve their employee base.



#### PRESCRIPTION SAFETY GLASSES

Providing the appropriate safety gear for our employees is something we take seriously. This year, we standardized the type of frame on the prescription safety glasses offered to 10 of our locations. The new frames have clear, fixed wrapstyle side panels that improve visibility and protect eyes from foreign debris.

#### TAP'S SAFETY AWARENESS CAMPAIGN

At Transamerican Auto Parts (TAP), employees are rewarded for their safety efforts in real-time. Supervisors and Leads hand out Safety Awareness cards throughout the day whenever they see someone going above and beyond to make their facility safer. The cards can then be exchanged for immediate prizes and employees are entered into a drawing for larger gifts during milestone celebrations. Their efforts are also recognized through location signage and more broadly through emails shared with the supply chain managers across the country.

Whenever the facility hits 90-day and six-month accident free milestones, employees are treated to lunch during a Safety Milestone Celebration. Each full year without accidents is marked with a larger off-site celebration.



#### "GIVE ME 5 FEET" (LIFE RISK REDUCTION) CAMPAIGN

Keeping mobile equipment and workers separated is a challenge in busy manufacturing and distribution settings. Vehicles such as fork trucks and part movers are constantly in motion and blind spots can make it difficult for operators to see other employees. To minimize risks, our manufacturing team in Roseau, Minnesota developed a "Give Me 5 Feet" campaign that has been adopted at several other operating facilities.

The goal is to create awareness and shared accountability for recognizing the hazards associated with mobile equipment in the workplace. The team found that most employees were unaware of the limited visibility a forklift operator has and the quick turn radius of a lift. "Give Me 5 Feet" stresses the need for pedestrians to give mobile equipment drivers the room they need to operate safely.





#### BOAT'S EMPLOYEE SAFETY COMMITTEES

In 2019, the EHS&S team at Polaris Boats formed employee-run safety committees at the Bennington, Godfrey and Hurricane campuses to serve as the voice of their fellow employees. Working collaboratively across all business areas, the Employee Safety Committees strive to create a safer workplace. They also bring any employee issues or concerns to the larger group for discussion and consideration as they develop improvement plans.

## **EMPLOYEE RIDER SAFETY**

From snow to dirt to asphalt to water, our employees love to ride. We encourage employees to experience Polaris products through work opportunities and personal adventures.

This encouragement comes with a focus on making sure employees have the information and training needed to make each experience a safe one. Informing and training our employees not only helps their experience, but they often pass these practices forward as ambassadors for safe riding.

For example, trailering vehicles and other cargo is often a common element of a ride that requires proper safety procedures. To help learn proper trailering, we launched a series of online training courses focused on vehicletrailering best practices, including how to safely load, secure and transport vehicles and other cargo.

During 2019 we expanded our employee safe riding training offerings to provide more people with access. Partnering with TAP, we were able to facilitate U.S. Department of Transportation training, side-by-side ROVA training and ride experiences with employees at their corporate headquarters, engineering locations and 20 retail sites. In addition, we equipped them with small fleets that allow employees to check-out vehicles and gain further experience.

We also partnered with Polaris' new distribution center in Fernley, Nevada to provide access to the proper gear to support their new fleet of vehicles.





#### FURTHER HONING OUR EMPLOYEES' MOTORCYCLE RIDING SKILLS

In 2019, we partnered with the Motorcycle Safety Foundation to offer seven Polaris-sponsored Intermediate Rider Safety courses for motorcycle riders in the Minneapolis/St. Paul metro area. The program is designed to help motorcycle riders continue their focus on safe riding by practicing skills such as counter steering, cornering and traction management. Offered during the work day to make participating convenient, nearly 70 employees were able to go through the training.

#### WILDERNESS FIRST AID TRAINING

In 2019, 50 employees from Minneapolis and its surrounding areas completed Wilderness First Aid Training, which provides training using the adventure first aid kits offered through KLIM and Polaris. Each kit has first aid essentials and can fit into backpacks or center counsels, making them an easy essential to pack for a ride on the trails, in the dunes or in the backcountry. The training highlighted how the items included can be used to address minor to extreme first aid situations. In addition, participants went through CPR certification to complete their training.

#### INTERN RIDE EXPERIENCE

For two days in July, interns immersed themselves in all things Polaris during our annual Intern Ride. Created to help bring our brand and products to life in a safety-focused environment, interns from across the organization came together to learn about our vehicles and our **Think Outside** mindset.

After going through product and safety training, they were able to take the wheel of several different off-road vehicles, including RZRs, RANGERs, Sportsmans and competitor vehicles, and then hit the trails.



### "

The intern ride was a great way to get to know the heart of Polaris — the riding experience. I was able to understand the impact Polaris products have on people's lives and how riding is a community and culture that Polaris helps create. A highlight of the ride was getting to ride with HR VP Jason Grover, who was there to meet some interns. Not a lot of my peers at other companies get to have exposure to senior leadership in such a fun and approachable way!

Sophie Pettit, 2019 HR intern

# PEOPLE

Think Outside is brought to life through people and at Polaris, our heart is our people, be it employees, dealers, partners or customers. How we show up in their lives and they in ours is also an important element to Geared for Good.

Whether we are supporting employee development, fostering stronger relationships with customers or advancing dealer education, we are grateful for the relationships we build and what they teach us. Our people drive us today and will advance us in the future.



#### EMPLOYEE ENGAGEMENT SURVEY

Best People, Best Team is a Polaris guiding principle. We offer competitive salaries and comprehensive benefits packages including: medical and dental plan options, a company match for 401k contributions, profit sharing, paid time off, wellness discounts, tuition reimbursement, product discounts and more. Our employees are also among our largest shareholder groups which is partially driven through our employee stock ownership plan. Our greatest asset is our employees and we are committed to providing an empowering and engaging work environment.

To deliver on Best People, Best Team, it's imperative to listen to our workforce. In 2019 we partnered with Mercer | Sirota, a global leader in survey research, to add another tool to help identify how we can continue to improve for our employees. Ninety-two percent of the 3,500 full-time U.S office employees responded to our survey, providing important insights into our corporate culture. Following the survey, our leaders worked with their teams to develop action plans, integrating the information into our strategies and day-to-day work. The next survey, planned for 2021, will revisit initial findings and work to gain additional feedback.

Outside of the survey, we also regularly solicit feedback from our plant and hourly workers and encourage employees to communicate with their managers and HR representatives throughout the year. The feedback gathered allows us to continue cultivating our strengths while working to refine our processes and procedures and increase collaboration across business units and functions.

## EARLY TALENT

We believe in investing in people throughout their careers. For many, this starts from day one. Our focus on early talent development allows us to foster the next generation of Polaris leaders, providing them with opportunities to learn through hands-on experience and unique opportunities.

Not only does this result in engaged employees, it results in well-rounded individuals with crossfunctional understanding who enter their career path with a strong sense of desired focus.



#### **INTERNSHIPS**

Each year, we hire more than 100 undergraduate students in their sophomore and junior years to intern in one of six functions: human resources, finance, sales and marketing, engineering, operations and digital and information systems.

Throughout the summer, they gain experience in their field of study and are given opportunities to network and work on cross-functional projects. At the end of the summer, each intern is asked to present their work to an audience of peers, full-time Development Program associates and various members of Polaris' executive leadership team. In many cases, the 12-week summer internship program is just the start. High performers are often brought back for additional intern experiences and hired as full-time employees after graduation.

In 2020, approximately 30% of our summer interns will return for a second time, and 90% of our early talent recruitment roles were already filled by the end of 2019. In fact, 100% of the 2020 Sales and Marketing Development Program class was filled with interns from 2019.

### "

The responsibilities and opportunities given to Polaris interns have been pivotal to my personal learning and growth over the past two years. In addition to the fast-paced meaningful work we do, there is an incredible culture fueled by passion for the brand that makes Polaris truly one-ofa-kind, and one that I am extremely excited to launch my career with!

#### Alexandra Bump,

Polaris 2019 Sales and Marketing Intern and 2020 Sales and Marketing Leadership Development Program Associate



#### **DEVELOPMENT PROGRAMS**

## ransamerican

In early 2019, Transamerican Auto Parts (TAP) wanted to complete a financial analysis on several areas that were impacting real-time business decisions. They brought in participants in our Finance Development Program to help assess and address four specified areas. One of those was Wholesale-Ecommerce customer profitability.

The team built a channel and customer-level profit and loss statements to increase customer visibility and provide recommendations for profit growth.

This gave leadership a list of the top 20 TAP customers to focus on and allowed the team to gain important experience in a unique area of Polaris. Our six Development Programs span human resources, finance, sales and marketing, engineering, operations and digital and information systems, and provide experience-driven opportunities to recent graduates. Participating employees complete three to four rotations in various departments and in different geographic locations for six to twelve months at a time.

In addition to completing meaningful project work, participants also have extensive opportunities to network with other employees, including leadership. The network they establish helps them develop their skill sets and navigate their future career paths. In 2019, 76 employees were a part of the Polaris Development Program.

By working to develop leaders as they enter the workforce, we are able to help our employees reach their potential by giving them a range of experiences and coaching. This intentional practice allows us to consider both our business needs and our employees' needs, while adjusting as the market and industry evolve. This investment is one that benefits us now, but also allows us to plan for our future workforce.

Many past-program participants have gone on to do incredible things and advance their careers to Director and Vice President levels. Their cross-functional understanding is lauded throughout the organization from the very beginning of the program and continues to grow as they advance.



# EARLY TALENT DEVELOPMENT PROGRAM SUMMIT

This year, our Development Program associates came together for Polaris' first-ever Development Program Summit. The two-day event focused on three development objectives: business acumen, career development and communication. Throughout the event, employees saw presentations from internal business leaders as well as external professional development and leadership training organizations.

In addition, participants had opportunities to connect and network with each other, fostering conversations to help drive the company forward.



#### "

I started at Polaris in 2008 as a sales and marketing development program participant. Polaris promised a unique and rewarding experience with the opportunity to continually learn, grow and develop through hands on learning in a fast-paced environment. I have been fortunate in my 12 years to experience continued growth and responsibility with each passing year and new position.

I've learned alongside many talented leaders, I've been responsible for several big initiatives and I've outpaced my collegiate peers in terms of career growth. I'd say Polaris has over delivered on their original commitment and I remain committed to this company because of the shared investment I feel toward my individual career growth and development.

Nila Norman, Director of Business Development

## ADDITIONAL TALENT DEVELOPMENT PROGRAMS



As a part of our growth strategy, we are committed to strategically and intentionally developing our current employees to become the next generation of leaders through Succeeding as a Polaris Leader (SAPL), Polaris Leadership Development 1 (PLDP1) and 2 (PLDP2). These programs provide highpotential, top talent employees opportunities to grow and prepare for next-level roles.

SAPL is a week-long development program that brings together individuals from across the organization's US and global locations. These employees meet at our Medina headquarters to connect with our executive leadership team, including our CEO, and learn more about our business. During this time, they travel to our Osceola, Wisconsin plant and work on a line to build engines.

The team is also given the opportunity to explore dealerships and share lessons learned with members of the sales leadership team. Our partners at St. Thomas University Executive Education further the groups' understanding about their individual leadership styles and strengths.





Additionally, we partner with the University of Minnesota's Carlson School of Management Executive Education to develop our managers and directors. Each year, we align business theory and practical application through a week of learning at the Carlson School of Management.

The school faculty and our executive leadership team combine their talents and perspective to push the group on various topics. Participants are then placed into a working team and spend two to three months on a stretch project. At the end of their experience, they make recommendations to the executive leadership team on their previously identified business challenges, while reinforcing their learning.

Management training programs are another way that we advance our talent. We worked with partners to design programs that build leadership skills and empower them to lead great teams. Our programs reinforce leadership competencies identified to drive our guiding principle of Best People Best Team for success today and in the future.



## SKILL DEVELOPMENT IN MANUFACTURING AND ENGINEERING

Our manufacturing and engineering teams are instrumental to our success. We work hard to have the right people with the rights skills at the right time to deliver best-in-class products to our customers.

#### **BUSINESS REVIEWS**

Each year, our Manufacturing Training Team completes a needs analysis at each site to understand current capabilities and anticipate needs for the coming year. In 2019, we created an Operational Learning Council with representatives from human resources, engineering, manufacturing, supply chain, lean and information services to highlight processes that employees need to be aware of for successful implementation.

The needs analysis and new council both help us determine how to close gaps and better communicate across functions to align processes with the overall business strategy. In 2020, we will expand the formal review model to include a cross-functional governance comprised of manufacturing executives and safety, quality and organization development leaders who will evaluate existing training metrics and forecast what skills will be needed to further enhance manufacturing workforce capability.



LEARNING, INCLUSION AND KNOWLEDGE SHARING USING DEGREED

With new model launches occurring every six months, it's vital that employees are confident in their skills and understand how the work they do each day impacts the company. Advanced planning allows managers to know their direct reports are being stretched, challenged and supported in their efforts.

In 2019 we implemented a new system called Degreed, which tracks and supports training plans across levels, from hourly employees to directors. It provides a holistic yet personalized approach to developing skills, balancing courses critical to an employee's work with those that they find interesting. Employees receive points for completing courses each week, and a regular newsletter spotlights the top learners and what they've learned. Plus, users can share courses with others they think may benefit from the information.

Within 30 days of launching, 70% of employees were using the system.





INVESTMENT IN TRAINING FACILITIES

In 2019, a new training center opened at our Huntsville manufacturing location, providing new employees the opportunity to train on simulated assembly processes. The simulation mimics what they would see on the production floor, resulting in better prepared, more confident employees and a reduction in production downtimes.

Our Monterrey manufacturing location will be opening a new Training Center in early 2020 that benchmarks industry best-in-class line simulations and incorporates our Lean Polaris Production System.

#### FRONT-LINE LEADER TRAINING

\*)Pg

Our front-line leadership program gives managers organizational context so that they can make more informed decisions and keep our culture of safety a priority. Seventy-two people went through the program in 2019 and, according to post-program evaluations, 85% believe they will be able to apply the knowledge gained through the program to their work.



At Polaris we practice purpose-focused development, aligning our talent development process to overall business goals and strategies. This approach helps us bring our long-range plans to life and provides an opportunity for teams to think through how their structure aligns with the larger picture to enable overall organization effectiveness.

Completed annually, the organization and talent review process captures the people impact of our long-range plan – emphasizing organization effectiveness, capability building and identifying areas to give our best people more. It evolves throughout the year as we continuously review talent and consider how we may help them grow and achieve their goals.

These ongoing conversations enable us to establish a deep bench of talent to continue moving the organization forward. Additionally, it provides opportunities for business units to nominate talent for programs like Succeeding As A Polaris Leader (SAPL) and Polaris Leadership development Program (PLDP) (see page 33) to build their skill sets and experience other aspects of the company.

Our organization and talent review process is also informed by our annual performance review process. Through an effort that involves team and individual goal-setting aligned to our corporate strategy and company values, we complete annual reviews for team members. Leaders are encouraged to provide continual feedback and coaching, while at the same time establish performance standards and clear expectations. At its core, our organization and talent review process is how we bring our guiding principle of Best People, Best Team to life.



#### GENDER PAY EQUITY

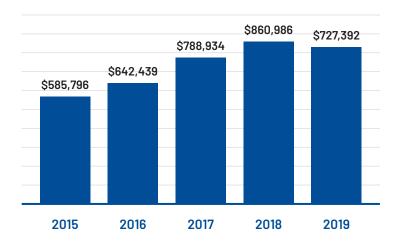
Fostering an environment that promotes equal opportunity and embraces individual differences amongst our employees is critical to our competitive advantage and essential to the success of our business.

Polaris thrives when it empowers and values the unique skills, perspectives and contributions of each employee. As part of this overarching goal, Polaris is committed to equal pay for equal work and believes that compensation decisions should be gender and race neutral.

Pay differences between employees in similar jobs should be based only on legitimate job-related factors, such as education and experience, performance, skill and initiative. In 2019, Polaris again reviewed its compensation practices to identify pay gaps and assess whether such differences are explainable by work-related factors.

Polaris will continue this work and adjust compensation where needed to be sure we are meeting our commitment to equal pay for equal work, without regard to gender or race.

#### TOTAL POLARIS TUITION REIMBURSEMENTS (IN USD)



#### EMPLOYEE TUITION REIMBURSEMENT

Continuous improvement and education are highly valued at Polaris. We are proud to assist our employees in their pursuit of furthered learning through our tuition reimbursement program. The program provides financial assistance to help employees achieve their personal and professional goals. In 2019 we disbursed more than \$725,000 in tuition reimbursement.

#### EMPLOYEE ENGAGEMENT GROUPS

Attracting and retaining the best employees is one key to success. The importance of this for Polaris was clear in our materiality results. We also must work to keep employees engaged as there is a direct correlation to retention. As we continue to grow, it is important to adapt and evolve our engagement efforts to meet the needs of the business and our employees.

In 2019, one evolution was establishing a structure to help build and foster employee engagement groups. This once informal, grassroots effort now has a developed process that supports a group while keeping the employee driven, entrepreneurial spirit. The new framework helps legitimize the team with access to funding and a new sponsorship system support system which gives groups direct access to our Corporate Responsibility Committee and other influential leaders.





# POLARIS

#### WOMEN LEADERS IN POWERSPORTS

For Women Leaders in Powersports, these process changes have helped revitalize the group. What began in 2014 in our Wyoming and Roseau locations has expanded to eight Polaris locations. Their tenure, as well as their recent growth, made them the perfect test group for the new framework.

The updated structure has provided new ideas and support, as well as a stronger connection to multiple areas of the organization. The additional leadership involvement has also provided new perspectives, helping the group to tailor the program to appeal to a broad audience while maintaining connections at a local level.







Polaris Sales Mexico has established committees focused on four areas: social work, events and activities, wellness and environment.

Polaris Sharing Outside focuses on supporting the community by collecting and donating school supplies, helping with basic needs, volunteering and more.

Polaris Having Fun engages employees in a variety of activities to create a fun and supportive work environment.

Be Strong, Be Polaris provides health and wellness resources to help employees strive be their best selves.

Polaris Green Place to Work encourages environmentally friendly initiatives such as recycling, reforestation and safety training in and outside the workplace.

# SUPPORTING OUR EMPLOYEES AND THEIR FAMILIES

Sharing our passion at Polaris extends beyond our work to our communities.



#### TAKE YOUR CHILD TO WORK DAY

During Take Your Child to Work Day more than 160 students gathered at our Wyoming, Minnesota facility to learn more about what their parents do each day.

With topics ranging from marketing to engineering to manufacturing, the kids got hands-on learning with Polaris-themed activities including guided design, accessories and riding gear and 3D printing stations.



#### POLARIS SCHOLARSHIP

For the past 30 years, Polaris has offered scholarships to help off-set the costs of post-secondary education for children of Polaris employees. Since 1989, we have given out 565 awards for a total of nearly \$1.8 million.

In 2019, the number of new scholarships awarded doubled, bringing the total number of individuals supported to 82. Now, even more dependents of Polaris employees are receiving financial support for full-time study at an accredited two-or four-year college, university or vocational/technical school.

#### SCHOOL OF FISH

In the land of 10,000 lakes, fishing is an outdoor activity that is fun for the whole family. This year, as part of its sponsorship of School of Fish, a nonprofit that provides kids with the knowledge, skills and equipment necessary to start their fishing careers, Polaris Boats hosted a School of Fish class for the children of Polaris employees at our Global Headquarters in Medina, Minnesota.

The class was taught by pro-angler and TV host Mike Frisch and allowed participants and their parents to learn about lakes, how to find fish and some great ways to catch them. The participants, third grade and above, also learned to tie fishing knots and rig and use a slip-bobber.

### "

Generous people and companies like Polaris allow individuals like myself a more realistic means of reaching our long-term educational goals. It is with great respect that I want to thank you for this scholarship money.

**Jordan Moser**, Scholarship Recipient

# GEARED FOR GOOD

# **Geared For Good Awards**

Polaris prides itself on being Geared for Good. Our people play a huge role in helping us be good stewards for our industry, our riders and the outdoors. Last May, we established a monthly Geared for Good award, celebrating employees and teams across the organization who are living out that philosophy at work and beyond. Below are the stories of two of our award winners.

# **Ryan Ericksen**

Ryan Ericksen, packaging engineer at Polaris' Huntsville facility, was our first Geared for Good award winner. Ryan was nominated and recognized for his efforts to implement new packaging to store parts coming off injection molds. The changes he and his colleagues put in place helped reduce spend, improve efficiency and reduce waste. Learn more about the project on page 14 or at https://bit.ly/2Uuuiid

# Kara Heggedal

Kara Heggedal, human resources manager at our Roseau location, earned a Geared for Good award for her work with Greenbush Community Partners. A community-oriented, volunteer organization dedicated to serving the community of Greenbush, Minnesota, Kara helped found the organization and now serves as its chairperson.

"To me, Geared for Good means to always do the right thing. To constantly try to make things better, whether that be at home, work or in my community."

# **ENGAGING OUR CUSTOMERS**

Polaris has always forged our own path, creating new ways to help people experience the outdoors to the fullest. But after decades of growth and diversification, we felt it was time to better define the unifying thread that runs through us and how our various brands collectively push us and our customers forward.

In 2019, we launched our evolved Polaris brand. Our new tagline, **Think Outside**, is a rallying cry to find possibilities in yourself and the outdoors. We believe that what's outside is for everyone. This is our way of saying all are welcome and we are committed to making experiences for you.



# "

A lot of times, communities of color or minority communities will be champions for brands, but the brands rarely show that love back. I thought it was very important and awesome to show up to this trip and see so many diverse faces and just feel thought of.

Bobby Pen, NewsOne

## "

This is so dope . . . this is stuff that people our color don't really get to experience and so to be out here and be free, it's a dope opportunity to come out here and try different things that's outside the ordinary and inspire friends to try it.

Deshae Frost, Comedian and Vlogger



#### OUTSIDE FOR ALL

Think Outside is best brought to life when it's shared, and at Polaris we are passionate about sharing what that means with current and new riders. While we have a broad range of vehicle options, people may not realize the full spectrum of possibilities or even be intimidated by the sport.

In 2019, we put heightened focus on helping more people find new possibilities outside and to do so with us.

Through event sponsorships, outreach and partnerships we were able to connect with a more diverse group of consumers. This connection led to us better understanding how to support and meet their needs. One great example of this is through our efforts with organizations and events like Black Girls Ride and National Bikers roundup.

We've also grown our presence and fostered relationships that help us better deliver on our commitments to be customer-centric. This includes new media events that allow new individuals the opportunity to experience our products. One of these events was held in July in North Bend, OR.

The goal of this media outreach was to transform moments and content into shareable experiences with Latino and African-American journalists and influencers. This all-inclusive experience provided them with personal interactions with brand representatives and hands-on, behind-the-wheel experiences on Polaris RZR and Slingshot vehicles.

In partnership with a Polaris Adventures outfitter, the attendees learned about proper riding gear, safe driving practices, intentional vehicle design and more.

The feedback we received showed that this was a great experience for the participants and a great first step for reaching more people.



#### SNOWMOBILE AND TIMBERSLED AMBASSADORS

Supporting the owners who support our sports is a longstanding tradition at Polaris. One way we do this is through our Polaris Snowmobile and Timbersled Ambassador program. This program supports and spotlights snowmobile and Timbersled enthusiasts working hard for to build communities and their sport.

After launching in 2017, the effort has grown from 22 participants to 105. Polaris provides these ambassadors with unique education opportunities, behind-the-scenes experiences, guidance on event development and support for ideas they have to help their local community and sport.

For Trevyn Newpher, a third-year Timbersled ambassador from Steamboat Springs, Colorado, the snowbiking or "snowmoto" community is a passionate and cohesive group of riders. He's seen first-hand how this program helps introduce the sport, bring new riders in and expand skills together.

"Having a strong community of skilled and experienced ambassadors helps grow and develop a respectful value for this community both internally and externally."













Miranda Hamlin, a first-year snowmobile ambassador from southern Minnesota also sees the value the program brings. "The snowmobiling community has opened up a new world for me, and I have developed an entire additional family. I couldn't even imagine having connected with so many amazing people, but the love and common passion of snowmobiling brings us all together and connects us."

At a Polaris event, she was able to connect in-person with other ambassadors, sharing rides, experiences and information. "What I found to be so cool is that we all have different backgrounds, different stories, but snowmobiling brings us all together and creates a connection and new friendships, encounters, relationships and experiences that none of us will forget!"

The program has also helped support ambassador's work within their respective geographic communities. For the past three seasons, Logan Wicken has been working with the Alaska Avalanche Information Center and Eastern Alaska Range Avalanche Center to spread avalanche awareness, provide safety training and educate visitors and residents about backcountry travel. Recognizing the importance of this work, Polaris, KLIM and some of Wicken's other sponsors signed on to help.

Polaris provided door prizes and other incentives to encourage attendance at events and promote positive safety habits. "To see a major corporate brand, reinvest into those investing in their product is everything."

## "

The snowmobiling community has opened up a new world for me, and I have developed an entire additional family. I couldn't even imagine having connected with so many amazing people, but the love and common passion of snowmobiling brings us all together and connects us.

Miranda Hamlin, Polaris Snowmobile Ambassador





#### INDIAN MOTORCYCLE RIDERS

In 2014, we formed our Indian Motorcycle Riders Group (IMRG) initiative. These groups were designed to foster community amongst riders of Indian Motorcycle and beyond. Since its founding, we've established 306 chapters with a global membership of 39,036. These groups meet for rides, events and are known for their charitable efforts in their communities.

On example of this was through the Granite State IMRG chapter who helped organize a ride to raise money for Dartmouth Hitchcock hospital. Through their efforts, they raised roughly \$10,000 for cancer patients.

In September 2019, the first-ever IMRG Rally in China took more than 600 riders on a 67km group tour through the scenic Qiandao Lake area in Zhejiang Province. Six new chapters in China were launched the day of the rally.

In 2020, our dealership partners are going to take an increased role in their local IMRG chapters. We will continue to support their efforts and are excited to see where they take this in the future.



#### POLARIS OWNER'S COUNCIL

In April 2019, our off-road team launched the Polaris Owners Council, an all-new online research community that enables us to receive direct feedback from our owners on a regular basis. To join the community, owners completed a survey asking about their vehicle, how they use it and demographic information about themselves.

At any given time, we have around 3,000 owners who partake in a variety of activities and surveys. These activities gather their perspectives on new vehicle features, graphics, current vehicle likes and dislikes, messaging and more. Because of this community, we are able to be closer to our customers and more quickly understand their wants and needs.

Although members of the council are rewarded through monthly gift card drawings for their participation in activities, they have said the most meaningful part is the opportunity to provide feedback to drive improvements and contribute to the next evolution of off-road vehicles.

In less than a year of existence, the council is already making an impact. Several product and marketing decisions, including the graphics package for the new 2020 RZR PRO XP, incorporated feedback from this passionate group of owners. Presented with various options, the council ultimately selected which graphics package was most appealing to them, which directly impacted the final decision.





#### CAMP RZR

Camp RZR started on New Year's Eve of 2012 and in the past seven years has become one of the largest events to celebrate off-road riders.

Our 2019 Camp RZR was one of our biggest yet featuring free service for Polaris RZR Owners, demo rides, vehicle giveaways, free food and water, a kid's zone, a Show and Shine custom build contest, and, of course, riding. This year we also partnered with Nitro Circus to bring their live action-sports show to the sand dunes of Glamis, California.

At the end of the event our team participated in a Glamis Black Bag Project (GBBP) clean-up in effort to leave the dunes as they were found (read more about this story on page 17). Camp RZR is one way we say "Thank You" to the off-road community for the passion and spirit they have for spending time together in dunes and beyond.

#### **CUSTOMER SERVICE**

At Polaris, we strive to provide high-quality customer service from start to finish. This means creating content to help educate on maintenance, advancing our self-help offering and providing support via phone, email and beyond.



# "

We've shared our passion for the company with all our family and friends, so that they could experience how much fun a Polaris machine truly is. We wanted to say thank you to Jeremy [Polaris Connections Team Member], for making it possible to close the deal on our last Ranger deal with the rebate. Since I am disabled, this enabled me to continue to enjoy a Polaris machine in the great outdoors.

Additionally, Bruce's expertise of product knowledge and great customer service helped my family not only purchase new machines, but also keep them running smoothly whenever there is an issue. Jeremy from corporate Polaris and Bruce Moody from Moody's Polaris in Newport, N.Y. are two people of the finest pairing that I have ever dealt with. They deserve recognition for their continued excellence in their positions. My family thanks you both for contributing to our passion for the outdoors and Polaris Machines.

#### The Kwet Family Polaris Customers

# SUPPORTING OUR DEALERS

The Polaris family includes our thousands of global off- and on-road dealers. It's important to our partnership that we provide the resources they need to offer a premium service experience that is focused on safety, efficiency and customer satisfaction.

#### MASTER SERVICE DEALER TRAINING

We believe a highly-qualified and well-trained service department supports dealership success. One of the easiest ways for our dealers to train their service department is through the University of Polaris System. Through this online-platform, service team members are trained on a variety of topics including business operations like warranty and service, Polaris platforms such as Digital Wrench, vehicle systems and maintenance procedures and advanced diagnostics.

As individuals move through the trainings, they can earn bronze, silver and eventually gold certification levels as part of the Master Service Dealer (MSD) training program. For the gold certification training, service employees participate in an on-site training at Polaris Service headquarters at no cost to them. In 2019 alone, we had over 300,000 course completions and 16,000 dealer users with almost 80% of dealers carrying some level of service training certification.

In 2019, Polaris enhanced trainings through simplified content and modernized and more engaging designs. Additionally, we expanded accessibility to the MSD training program to the global dealer network by investing in translation technology that standardized training to a worldwide audience.

As a result, we saw the number of international dealers who carry a training certification rise from 46% in 2018 to 57% in 2019.





#### POLARIS SERVICE EDUCATION PROGRAM

Polaris continues to advance our service provider skills to keep pace with the industry, technology and labor markets. In 2019, the Polaris Service Education Program, established in 2003, continued to evolve and expand.

The program provides technical schools, high schools and community colleges with free access to Polaris online technical training systems, training material and learning content. This allows students at participating schools to work toward earning Polaris Master Service Dealer (MSD) Bronze and Silver level certifications before graduation.

These highly respected certifications make a candidate especially marketable to Polaris dealers during the hiring process. In 2019, participating schools rose 27% to 33, with 176 students earning MSD certifications, a 61% increase from 2018.



#### ON-ROAD PARTNERSHIP WITH GARAGE COMPOSITES

Improving dealer profitability is important to both Polaris and our dealer network. Over the last few years, the Motorcycle team has prioritized this through their partnership with Garage Composites, a leading industry expert in dealership profitability and training.

The goal of the partnership is to improve profitability in each of the five profit centers – new sales, used sales, finance and insurance (F&I), parts and service – in order to grow the Motorcycle dealer network. The Motorcycle team's strategy has been to train dealers through in-person boot camps and support long term growth through 20-Clubs. Boot camps are in-person, classroom-style trainings that teach dealers the most optimal and efficient way to run their departments and manage their staff.

#### "

For anyone who has ever had the pleasure to see the proverbial "lightbulb go on" – whether as a coach, teacher or parent – you know how rewarding that can be. Garage Composites is passionate about making dealers better. Better operators, better leaders, better people.

We have invested into our partnership with Polaris because we believe that they are invested with their dealer base. In concert with Polaris, we are working to provide more efficient procedures, peer advisory groups, and the pathway to increased profits - through 20 Clubs, Dealer Academies, and In-Dealership training.

T**ony Gonzales**, CEO Garage Composites



Over the last few years, the team has offered a variety of boot camps: sales and F&I training that is open to the entire network, full dealership profitability training for those looking for more support across all five profit centers and new dealer bootcamps to ensure a successful activation for dealers bringing on the motorcycle brands. In 2019, the Motorcycle and Off-Road Vehicles (ORV) teams partnered to offer nine bootcamps across North America, free of cost to dealers, with over 70% of the Motorcycle network taking advantage of one or more sessions in the last two years. In addition to dealer training, the Motorcycle Field Sales Team is also trained by Garage Composites in order to reinforce their training methods on an on-going basis.

20 Clubs are peer accountability groups designed to help dealers measure and track performance towards improvement goals. Garage Composites and industry experts believe 20 Clubs are the best way for a dealer to invest in their business due to the peer reviews and measurable action planning. Each 20 Club meets three times a year to review industry trends, each members' monthly metrics or composites and set specific action plans to improve for the next meeting.

Over the past three years that the Motorcycle team has sponsored these groups, approximately 50% of Indian Motorcycle dealers and 33% of Slingshot dealers have chosen to partake in the opportunity. Results have shown that dealers in these groups have seen growth in all profit centers, with double-digit growth in sales, F&I and service.

In 2020, the Motorcycle and ORV teams will continue to explore ways to expand their offerings for the dealer network with Garage Composites trainings. Additionally, other teams are assessing how they might introduce Garage Composites offerings to their dealer networks.

# PUBLIC RECOGNITION

We know better than anyone the effort Polaris employees make to win and win in the right way. They continually give to push us forward and make us better. When others recognize this commitment and work, it's a testament to each individual and their efforts.

#### FORTUNE 500 LIST

In 2019, we were honored to be named to the Fortune 500 list for the second year in a row. We moved up 20 spots from our 2018 position of 496 to 476. Recognizing the talent, passion and commitment to excellence of our entire team, we couldn't be prouder.

This ranking truly represents the countless hours our employees spend to drive our industries and products forward.

#### Check out the full listing at:

fortune.com/fortune500/2019/ polaris-industries

#### INSTITUTIONAL INVESTOR

In November of 2019, Polaris was recognized with a top-three, published position in Institutional Investor's 2020 All-American Executive Team rankings.

Portfolio managers and sell-side analytics vote for companies across performance attributes including accessibility to senior executives, investor relations being well informed and empowered, timely and appropriate financial disclosure, quick and thorough responses to requests, availability of corporate documents and execution on the strategy.

In our category of consumer leisure, we had the Best Investor Relations Program, Best in ESG/SRI metrics and Best in Corporate Governance. We also tied for the Best Analyst Days.



#### NEWSWEEK'S 2020 LIST OF AMERICA'S MOST RESPONSIBLE COMPANIES

Polaris was included on Newsweek's inaugural list of America's Most Responsible Companies, which recognizes companies for their corporate social responsibility efforts. Partnering with Statista, Newsweek selected 300 companies from an initial pool of 2,000 that received the highest scores based on analysis of publicly available key performance indicators and an independent survey on three areas: environmental, social and corporate governance. We are honored to have been recognized for the work and amongst other responsible companies.

Check out the full listing at: https://www.newsweek.com/americas-most-responsible-compar

Great Place To Work Certificada 2019 MEX

#### GREAT PLACE TO WORK: POLARIS SALES MEXICO

Polaris Mexico works hard to create an environment where people can't help but feel included and appreciated. From engaging current employees to hiring new employees that will continue to help foster the office's culture, our Polaris Mexico team has repeatedly demonstrated why they continue to be recognized as a Great Place to Work.

In 2017, they began the process to become certified by Great Place to Work (GPTW). This world-class certification is recognized in more than 50 countries and evaluates a company on five areas: credibility, fairness, pride, camaraderie and respect. Their initial certification was announced in early 2017. This was followed by an employee survey and cultural audit that resulted in ranking the group 4th among multinational companies with 50 to 500 employees.

The certification was renewed for efforts in both 2018 and 2019. Most recently, the Mexico office was ranked 9th in their category and 1st within the Respect criteria, indicating that employees feel supported, cared for and engaged. They also received 1st for a video highlighting three tips for being a GPTW.

# COMMUNITY

In ways big and small, Polaris and its employees around the world find opportunities to continually give back to their communities. From encouraging our employees to get involved to partnering with other organizations on initiatives that make a difference, we understand that contributing towards the greater good is an important piece to being Geared for Good.



#### POLARIS FOUNDATION

Dedicated to long-term investment in communities, the Polaris Foundation focuses on three key areas of support.



# Community Development

Helping create strong, vibrant communities where our employees live, work and play

# Youth Safety

Increasing youth awareness on safe riding practices

# Environment and Land Access

Promoting land access and responsible use of trails and the environment

#### POLARIS GIVES

Throughout 2019, Polaris worked to develop a new online employee giving platform, which will launch in 2020 and 2021 across our global locations. Polaris Gives will allow employees to create a personal portfolio of causes, donate money and/or time to the charities of their choice, take advantage of matching grants from the Polaris Foundation and stay connected to what we're trying to accomplish together as a team through giving back.

This new digital platform will transform the way in which our employees give, by centralizing everything from program information to tracking dollars and time donated. It will also help Polaris to further expand our reach and amplify the incredible efforts of our employees.

We look forward to sharing more information on Polaris Gives after its initial launch in 2020.



# **COMMUNITY ENGAGEMENT**

Being committed to the communities in which we operate and where our employees live means giving back in a variety of ways, including volunteer hours and financial contributions. Offering this support to our employees is a vital part of our culture and one of the ways our employees are Geared for Good.

#### **DOLLARS FOR DOERS**

Our employees have a strong history of giving back and we strive to make it easy and rewarding for them to do so. Each year, employees can earn \$10 per hour of volunteering – up to \$500 – to give to an eligible charity of their choice. In 2019, employees used Dollars for Doers to raise more than \$22,000 for their favorite charities.









Megan Fox, senior manager of global channel development, has seen firsthand the impact this program can have on recipient organizations and Polaris employees.

"My volunteer time mainly focuses around two organizations - Secondhand Hounds and the MN-ND Alzheimer's Association. For the past two years, my Polaris Dollars for Doers donation has been able to support both. At the annual MN-ND Alzheimer's Association Memory Mixer event, the donation through Dollars for Doers covered having adoptable pupples in attendance and a Puppy Party silent auction item.

So not only did Secondhand Hounds receive a generous donation on my behalf, but the funds were also able to support efforts to raise money for Alzheimer's research. I feel extremely fortunate to work at a company that gives at a corporate level, but also invests in and supports the organizations important to their team members!" Brandi Strasser, quality technician, has participated in TEAM Polaris twice a year for nearly 10 years in support of organizations she holds dear. As captain of Polaris' Polar Plunge team, she organizes the group that jumps into an ice-cold lake to raise money for Special Olympics Minnesota and walks laps with the Osceola Relay for Life team to raise funds for the American Cancer Society.

In 2019, Osceola and Bass Creek Plunge Teams raised \$8,627 with their special events and fundraising. With the Polaris Foundation match, \$17,254 was donated to Minnesota's special athletes. "These organizations cannot do the GREAT things they do without the generous donations of people and companies like ours.

With the TEAM Polaris matching funds, we are able to double our contributions and help them do even more. My family has been affected by multiple types of cancer and I've seen first-hand what our contributions do to help patients and families during those trying times. In addition, my foster sister has Down's Syndrome and participated in the Special Olympics growing up, and I saw how much her confidence, independence and self-worth grew because of it. I'm honored to be able to give back and appreciate the additional support from Polaris."

Using his time to help build an offroad trail and map the route for the 2019 Ride for Research, Dale Garrett, global strategic sourcing manager, Powertrain, is grateful for the opportunity to give back. His efforts provide participants the directions they need to stay safe and enjoy their 150-mile ride supporting the University of Wisconsin – Madison Carbone Cancer Center.

"Programs like Volunteer Time Off mean that I can 'improve the ride' while promoting off-road riding with other enthusiasts and promote Polaris as a partner in events. I get to wear my Polaris gear with pride and talk about how great it is to work for a company that rewards its employees for giving back."

#### **TEAM POLARIS**

A combination of team building and community service, this program provides an opportunity for employees (in teams of six or more) to make a collective impact, with Polaris matching up to \$1,000 for every team's volunteer or fundraising efforts.





#### **VOLUNTEER TIME OFF**

To help provide employees with the opportunity to engage with causes they care about, Polaris offers all U.S. employees up to eight hours each year that can be used to volunteer at a 501(c)(3) organization during the work day. In 2019, Polaris employees spent more than 4,500 hours giving back to the community through this program – more than double the time logged in 2018.





#### UNITED WAY

In 2019, Polaris and our employees gave nearly \$1.8 million to the Greater Twin Cities United Way to support efforts to create a community where everyone thrives. This effort was done through a week-long campaign including a 5k race, golf tournament, chili cook-off, snack pack and food kit preparations and more. Our combined efforts will change the lives of nearly 30,000 people in our community by:

Supporting more than 20,000 people working to stabilize their households

Allowing more than 1,200 children to participate in educational programs to prepare them for future success

Providing more than 300 adults with job training

Connecting more than 7,000 callers with resources for housing, food, utility assistance and more through the United Way's 2-1-1 hotline

Godfrey Hurricane supported the United Way of Elkhart County by helping promote "The Great Cardboard Boat Race" – an event that raises money to bring services and attention to working families in need. 2019 was a record-setting year for the event: 53 boats raced before a crowd of more than 1,500 spectators, raising over \$80,000 to help the local Indiana community.



### BRIDGE BUILDING

In September 2018, a bridge providing access to the northern section of the Soo Line North Trail, a popular ATV and snowmobile trail in northern Minnesota, was irreparably damaged by arson.

Understanding the importance of this access point to the community, Polaris donated \$200,000 and worked with local and national partners to make sure the bridge will be rebuilt. Construction on the Polaris Bridge begins in Spring 2020.

# "

I am thankful I was able to help deliver toys to patients at Gillette. Being in the hospital can be stressful and scary, it was nice to share joy with the children and their families and provide a break from tests and appointments – especially during the holidays. It's great to work for a company that gives back to even the youngest members of our community.

Kelly Glasford,

Dealer Support Rep





#### **OPERATION HOLIDAY CHEER**

During the holiday season, Polaris employees once again demonstrated the spirit of giving. Holiday drives across approximately 45 facilities collected gifts for kids and seniors, along with winter clothing for those in need, with each facility selecting an organization in their community to support.

In the Twin Cities, we were able to provide 500 toys to make the season a little brighter for kids at local hospitals. Volunteers also had the opportunity to serve as Santa's helpers, delivering and distributing the toys across the metro, including at Gillette Children's Hospital in St. Paul, North Memorial Hospital in Robbinsdale and the University of Minnesota Masonic Children's Hospital in Minneapolis.

# **DISASTER RELIEF**

Polaris strives to be a good community partner, and that means stepping up when disaster strikes.



#### **TEAM RUBICON**

To assist Team Rubicon, a veteran-led disaster response organization, aid and support residents of Pine Ridge Reservation in South Dakota and Nebraska communities impacted by a winter storm in April 2019, Polaris provided six RANGER utility side-by-side vehicles. This allowed crews to access remote areas, conduct damage assessments and assist affected residents, along with helping haul fallen trees and clear debris.

#### Learn more: https://bit.ly/2vvxHmt

In September, additional vehicles were deployed to the Bahamas following Hurricane Dorian. The RANGER vehicles allowed access to remote locations and aided in the removal of debris.

Read more: https://bit.ly/38NByJT



#### **RESCUE AND RELIEF FLEET**

For the last seven years, Polaris has partnered with the Salvation Army to provide the Polaris Rescue Fleet. With 41 vehicles located strategically across the U.S., the Salvation Army is able to quickly respond to emergencies and access areas that may otherwise be difficult to reach. In 2019, the fleet helped:

- Deliver meals, supplies and clean-up kits
- Provide hydration for first responders
- Communities prepare for and respond to disasters
- Facilitate clean-up and debris removal
- Deploy search and rescue

# **STEM EDUCATION**

Polaris is committed to helping prepare the next generation for their future, especially when it comes to science, technology, engineering and mathematics (STEM). Our efforts focus on highlighting the wide range of career possibilities available, engaging students in activities to help them learn more about STEM opportunities and funding technology used for STEM-related initiatives at local schools.

#### DISCOVER STEM CAMP

A \$70,000 donation to the University of Minnesota's College of Science and Engineering funded a summer coding camp for junior high and high school girls to help promote STEM careers. The Discover STEM Camp provided a hands-on introduction to a variety of options they can pursue.



#### STEM LINK

Employees volunteered to help staff from Dunwoody College of Technology in Minneapolis, Minnesota, conduct educational breakout sessions for fifth and sixth graders, providing them with an opportunity to engage in hands-on learning in environmental engineering, engine mechanics, health science and robotics.



#### DRIVING STEM AT TALLADEGA SUPERSPEEDWAY

Throughout 2019 a team of employees in our Huntsville facility collaborated with the US Space and Rocket Center to create a working replica of the Lunar Rover in celebration of the 50-year anniversary of Apollo 11. Following completion, the Polaris Lunar Rover Replica team members partnered with NASA to encourage more than 600 kids to get involved with STEM during Talladega's STEM weekend.

The Driving STEM at Talladega Superspeedway event included presentations by Polaris engineers on how the Polaris Lunar Rover Replica was made and how it differs from those used on the moon, and NASA used Polaris UTV tires in a presentation on different tire treads. The Lunar Rover Replica was also on display and took a lap around the track. Learn more about the Lunar Rover Replica Project: <u>https://bit.ly/2RCp2HD</u>

# **EMPLOYEES GIVE BACK**

Small but mighty teams can step up and make a difference in their community. We are proud of the drive and initiative our individual employees have for community initiatives. Here are two great examples:



#### **RUNNING WITH SPOONS**

A two-person team from Polaris Boats competed in the Bashor Children's Home's 4th Annual "Running with Spoons" Celebrity Chef Event in Elkhart, Indiana, raising \$6,600 to help the organization expand its outreach and care for exploited, trafficked young children who have been recovered.



#### **RIDE FOR A CAUSE**

Working with dealers and local villages, Polaris Mexico organized rides to distribute supplies to communities off the beaten path. Whether it was transporting medical help for isolated villages, completing reforestation work in areas effected by fire or giving food and toys to those along the way, each ride made a unique impact on the communities they touched. In 2019, eight dealers participated, and the program is expected to grow as participants continue to look to be part of something bigger.

# **VEHICLE DONATIONS**

As a manufacturer, donating vehicles is a perfect way for us to help organizations meet their operational needs or serve as fundraising tools.

#### **FIVE STAR LIFE**

In Elkhart, Indiana, Bennington rallied to support Five Star Life, an organization that is changing the face of education by changing the mindsets of students and positively impacting the culture inside the school building.

Through the donation of a customized Life and Rescue Pontoon, Bennington is enhancing the lifeguards at Five Star Life's camps ability to keep students and educators safe. In addition, Bennington provided multiple scholarships to help more kids participate in the organization's basketball program.







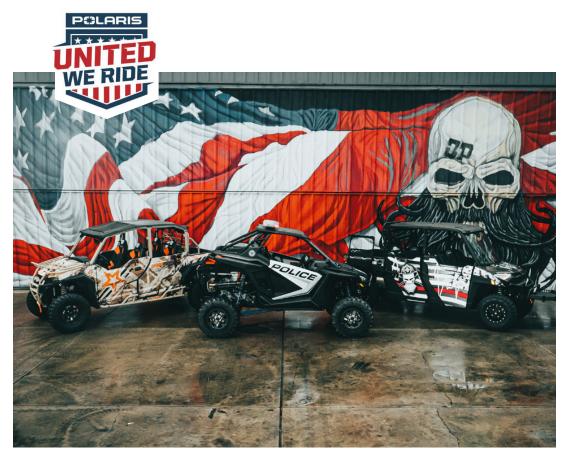
#### CAMP SOUTHERN GROUND

Following a 2017 donation of four GEM e6s to Camp Southern Ground, this year Polaris provided the organization with an additional five vehicles and added hard doors to the other vehicles to better fit their current needs. The vehicles will help with housekeeping, maintenance, food transport, security and emergency response work at this inclusive, residential camp in Fayetteville, Georgia. Additionally, Indian Motorcycle partnered with Zac Brown's Zac Brown Collective to auction off a customized Chieftain Dark Horse motorcycle, which raised \$225,000 for the organization.

Each summer Camp Southern Ground brings together youth ages 7-17 from a variety of socioeconomic backgrounds, races and religions to create a stronger community. Participants include kids with typical development, neurodevelopmental differences, children from underserved areas and from military and veteran families so that they can learn and grow together.

#### C.O.P.S. KIDS CAMP

Over the summer, Polaris Ioaned a GEM e2 and a NorthStar RANGER, both in law enforcement configuration with professional emergency lighting, custom graphics, siren and PA system, to the Concerns of Police Survivors (C.O.P.S.) Kids Camp. Created especially for the spouses and children of fallen officers, the camp provides family interaction, camp activities, grief counseling, relaxation and fun for participants, and Polaris is honored to help those at camp with special transportation needs.



#### UNITED WE RIDE

In partnership with the Diesel Brothers, Polaris Off Road created the United We Ride program to honor our nation's first responders. The Diesel Brothers customized three Polaris vehicles – a RZR PRO XP Ultimate for the police force, RANGER CREW XP 1000 for fire personnel and GENERAL XP 4 1000 for the military – and consumers across the country voted for their favorite build.

Those votes then determined the amount each of the three deserving organizations would receive. The Gary Sinise Foundation received \$25,000, Your Grateful Nation received \$15,000 and Concerns of Police Survivors (C.0.P.S.) received \$10,000.

The vehicles were also given away to three different organizations: the RZR went to an individual nominated by C.O.P.S., the RANGER to Davis County Search and Rescue, and the GENERAL to Camp Patriot in Montana.



#### FUNDRAISING EFFORTS

There are also instances where we donate vehicles to organizations to help with various fundraising efforts throughout the year. In 2019, examples of these included:

United Heroes League – A youth RANGER served as a door prize for the organization's annual UPS Ice Fishing Tournament, contributing to the \$30,000 raised at the event.

**Minnesota Wild Foundation** – A youth sled brought in \$2,500 for the foundation at their Wild about Children event.

**Firefighters for Healing** – A RZR sold for \$27,000 at the 5th Annual Red Tie Gala, which raised \$70,000 in total.

# SUPPORTING OUR MILITARY

Honoring the brave men and women who serve our country through the military is an important part of our history. Supporting our troops through partnerships, sponsorships and volunteering is the least we can do to say "Thank You" for their service.



#### SALUTE TO SERVICE

Through a partnership with the Minnesota Vikings, as part of the NFL's Salute to Service event honoring the brave men and women who have served the United States, two veterans joined Vikings players Tyler Conklin and Austin Cuttings for a day on the ORV trails in northern Minnesota. Each were also surprised with two tickets to Super Bowl 54 in Miami, Florida, as a thank you for all they have given our country. Check out a video of the surprise: <a href="https://bit.ly/2ReALMb">https://bit.ly/2ReALMb</a>

In addition, a special co-branded Salute to Service hat was designed to raise money for the Wounded Warriors Project. Sold at participating Minnesota Polaris dealerships, online at the Vikings team store and at the game, the hats brought in nearly \$38,000 to help wounded veterans and service members.

"Polaris has been a tremendous supporter of Wounded Warrior Project," said WWP Chief Development Officer Gary Corless. "Whether it's through unforgettable experiences for warriors with the Minnesota Vikings or raising support and awareness through a successful product campaign, Polaris' passion for serving injured veterans is clear and enables us to honor and empower wounded warriors and their families."



#### **3M OPEN SPONSORSHIP**

In July 2019, Polaris sponsored a hospitality tent for military members and their families, providing a comfortable place for them to watch the 3M Open tournament play. During this event we also donated a service dog to K9 for Warriors, an organization that provides service dogs to post-9/11, disabled military veterans to assist them with their return to civilian life.



#### AAFES GIVEAWAY

To launch our participation in the Army & Air Force Exchange Service (AAFES), Polaris sponsored a vehicle giveaway. Once we connected with the winner, SSG Dylan Shallenberger, we learned that he was stationed overseas and planned to have his mother pick up his new Polaris GENERAL.

We instantly knew this was an opportunity to facilitate a holiday season homecoming for this solider and his mother. On December 7, Dylan was able to surprise his mom when she arrived at A+ Powersports & Trailer Sales in Elkhorn, Wisconsin.

Watch the surprise: https://youtu.be/NijU2gyal10



#### SLED GIVEAWAY

For years, Polaris has partnered with Paul Thacker, a paraplegic snowmobile athlete, on the Warrior Ride – an annual event with three rides each year that brings together injured veterans through their shared love of snowmobiling to help them transition back into society. In 2019, we provided Paul with a sled to give away to a deserving veteran who now volunteers with the rides. At the 2019 Haydays Grass Drags in Lindstrom, Minnesota, Paul presented Kris Schneider with his 800 PRO RMK. It was a special moment for Paul and Kris and one of the most memorable from the unofficial kick-off to winter.



#### **GOOD RIDE**

We continued our partnership with motocross legend Carey Hart and his organization, Good Ride, to sponsor rides in three locations in 2019: Ohio, Arizona and South Dakota. The proceeds from each ride support Infinite Hero, an organization that helps provide access to rehabilitation programs tailored toward the needs of veterans and their families. The organization raised \$210,000 through Good Ride events in 2019.

#### **VETERANS CHARITY RIDE**

Indian Motorcycle was proud to continue supporting the Veterans Charity Ride to Sturgis for the fifth year in a row. Pairing veteran mentors who have already completed the ride with new veterans allows for one-on-one support through a common connection – motorcycles – as they transition back to civilian life. Out on the open road, they are able to clear their heads and talk about their military experiences in a safe environment. More than 50 veterans have completed the program since 2014, with nine new participants and five returning mentors in 2019.



#### CALL OF DUTY ENDOWMENT

Throughout the month of May, Indian Motorcycle dealers had the opportunity to help raise funds for the Call of Duty Endowment, which provides funding to organizations that help veterans prepare for their next career.

For every demo ride a dealer logged, Indian Motorcycle donated \$50, resulting in a \$30,000 donation to the Endowment.





#### MOTORCYCLE MISSIONS

Partnering with Motorcycle Missions, a non-profit that helps veterans and first responders through "motorcycle therapy," Indian Motorcycle sponsored our first build-off competition in 2019. Teams from Austin and Dallas each customized an Indian Chief Dark Horse motorcycle.

These bikes were later auctioned off at the Sturgis Motorcycle Rally, raising nearly \$100,000 for Motorcycle Missions.

# **CORPORATE GOVERNANCE & POLICIES**

At Polaris, we believe in winning the right way. Our work is guided by our core principle of Safety and Ethics Always. Day after day, we work to provide bestin-class products the right way, while conducting our business in an ethical and legal manner.



#### CORPORATE RESPONSIBILITY COMMITTEE

Driven by innovation, integrity and accountability, we do our best to be Geared for Good by being good stewards for the industry, our riders and the outdoors. Through our Corporate Responsibility Committee (CRC), we work to incorporate these elements across each Polaris function and global business unit.

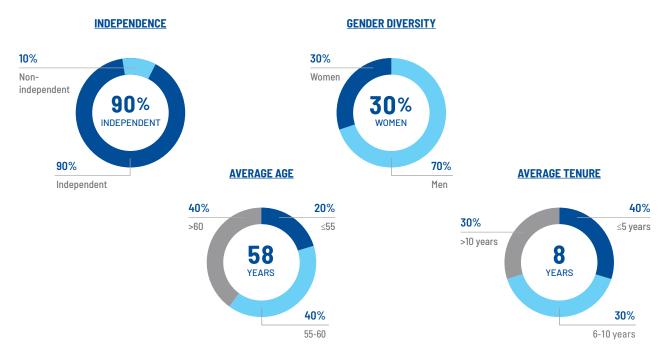
The Committee's purpose is to advise on matters of significance to Polaris and our stakeholders regarding corporate responsibility and to assist the Board of Directors and Senior Management Team in addressing the impact of these matters on our business, strategies, operations, performance and reputation.

View Our Corporate Responsibility Charter



#### CORPORATE GOVERNANCE HIGHLIGHTS

Our commitment to good corporate governance stems from our belief that a strong governance framework creates long-term value for our shareholders, supports partnership with our dealers, offers opportunity for our employees and builds trust among consumers.





#### POLARIS CODE OF CONDUCT

Our Code of Business Conduct and Ethics outlines the ethical and legal standards that we expect from all Polaris employees, business partners and board members. To help us meet our goals and uphold our reputation as an ethical corporate citizen, every one of us must rely on the Code to drive our behavior.

We also offer a variety of reporting mechanisms, including anonymous reporting through the Ethics Point Hotline, which is administered by an independent third party and available to our global employee base 24 hours a day, 365 days a year.



View Our Code of Conduct

#### SUPPLIER CODE OF CONDUCT

Our suppliers are an important and valued extension of Polaris and, as such, are expected to share our focus on ethics, integrity and responsible business operations. All of our suppliers are expected to adhere to the Supplier Code of Conduct and the Polaris Human Rights Policy. These policies standardize expectations and provide a valuable guide for driving responsible business practices throughout our global supply chain. Suppliers are also expected to complete a compliance survey and sign off on their commitment to these policies.

We are enhancing our current efforts to establish an audit process to review supplier practices against policy guidelines.

View Our Supplier Code of Conduct

#### CONFLICT MINERALS POLICY

Polaris supports the goal of ending violence and human rights violations in the Democratic Republic of Congo (DRC) by demanding transparency regarding the origins of all tantalum, tin, tungsten and gold used in our products, as outlined in our Conflict Minerals Policy.

We require all of our suppliers to undertake reasonable due diligence to identify any products supplied to us that contain conflict minerals sourced from the DRC and nine contiguous countries. In such cases, all associated mines and smelters must be certified "conflict free" by an independent third party for Polaris to continue sourcing from that supplier.

**View Our Conflict Minerals Policy** 

#### HUMAN RIGHTS POLICY

Polaris is committed to respecting and promoting human rights in the workplace and across our global supply chain. Our Human Rights Policy requires that Polaris and each supplier maintain a workplace free from harassment, discrimination, child labor, forced labor and any other forms of compulsory labor. It also requires safeguards against human trafficking anywhere within our operations and supply chain.

The Human Rights Policy also outlines our expectation that we and our suppliers comply with all applicable labor, wage and hour laws, as well as all applicable health, safety and environmental laws and regulations to provide a safe and healthy work environment. Polaris is committed to respecting the privacy and rights of employees and third parties, and we require our suppliers to do the same. Polaris requires suppliers of a certain size in the United States to develop an affirmative action plan.

#### View Our Human Rights Policy

#### U.K. MODERN SLAVERY ACT

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 verify modern forms of slavery and human trafficking are not taking place in the company's business operations and supply chains.

<u>View Our Slavery and Human</u> <u>Trafficking Statement</u>

#### ENVIRONMENT, HEALTH AND SAFETY POLICY

We strive for a zero-harm culture and are committed to protecting the environment and the health and safety of our employees, contractors and the communities in which we operate. We recognize that by integrating sound management practices into all aspects of our business, we can offer innovative products and services while protecting our employees and conserving resources for the future.

View Our Environmental, Health and Safety Policy

#### EQUAL EMPLOYMENT OPPORTUNITY POLICY

Polaris recognizes that each employee brings a unique set of background and experiences to their work and we know the value that those diverse perspectives and insights have. We recruit, hire, train and promote employees based only on the requirements of the job. Additionally, our affirmative action program contains an audit and reporting system which enables us to measure effectiveness, identify any need for remedial action, measure and document compliance with our obligations and more.

View Our Equal Employment Opportunity Policy

#### PRIVACY AND DATA PROTECTION

Polaris respects the privacy of our employees and consumers, and we are committed to the responsible management, use and protection of personal information in line with applicable privacy and data protection laws. The Polaris Privacy Policy describes how we collect, use and share consumer personal information. Polaris maintains technical and organizational security measures designed to help protect consumer and employee personal information from unauthorized access, disclosure, alteration or destruction.

#### View Our Privacy Policy

#### ENVIRONMENTAL COMPLIANCE

Polaris is committed to ethical business practices and governance standards, and we provide detailed operational, environmental and community information for our local communities and key government stakeholders.

PERFORMANCE		
Year	2018	2019
Number of Environmental Enforcement Actions	0	0
Cost of Environmental Fines Paid	\$0	\$0

#### EHS MANGEMENT SYSTEM AND COMPLIANCE

We work hard to conduct business in a safe and environmentally responsible manner, from providing safe workplaces to reducing the environmental impact of our operations around the world. Our Environmental, Health and Safety (EHS) Management System is deployed globally and based on the "Plan, Do, Check, Act" model, which allows us to assess and continually improve our practices over time.

#### Plan

Our planning process includes developing goals, objectives and metrics based on a review of our company's performance, EHS programs, applicable regulations and external factors that may impact our business.

#### Do

Activities are performed by using standards, guidelines and tools that are integrated into the EHS Management System and include specific expectations for sites and our global business units.

#### Check

An EHS Governance committee comprised of senior-level executives representing all business units' reviews performance and progress against objectives throughout the year.

#### Act

Corrective actions and continuous-improvement initiatives are established to resolve EHS concerns that have been identified through incident investigations and during periodic assessments and audits.

Our corporate EHS management system is generally aligned with the requirements of the International Standards Organization (ISO), but we do not pursue certification under the Environmental (ISO 14001) or Safety (ISO 45001) frameworks at the global level.

In addition to complying with all applicable country, regional and local safety and environmental laws, we strive for EHS performance that is among the best in the industry. Our centralized EHS information system allows us to collect, manage, learn from and share our safety and environmental performance data more efficiently.

We review data in both leading and lagging metrics to look for potential trends and identify opportunities that can help drive performance improvement, as well as continuously exploring new ways to learn from and report on our performance.









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