FY 2017/2018

SUSTAINABILITY REPORT

THOR

Go Everywhere. Stay Anywhere.

WELCOME
Company Overview

MINIMIZING IMPACT
More with Less

INSPIRING TOMORROW
LEAP Program
Certifications and Training
Leadership Development
Community Partners
Open Lands, Coast to Coast

MEANINGFUL MANUFACTURING
Safety
Facilities Improvements

THE ROAD AHEAD
Commitment to Improvement
Key Initiatives
Meet the Family

WELCOME

Throughout the process of working on this report, I've been thinking about what it means to impact change. Thirty-eight years ago, we embarked on a journey to connect families with each other and people to the outdoors. As the recreational vehicle industry has grown significantly over the recent years, so has our responsibility.

I've experienced firsthand the connection people have with each other and with the outdoors when they use our products. Every trip is an opportunity for family and friends to reconnect in today's connected world.

As North America's largest manufacturer of recreational vehicles, our ability to impact change extends far beyond the manufacturing line. It extends into the open spaces where our customers use our products, the communities where they live and directly touches the families of more than 17,000 associates.

Corporate social responsibility is a lifelong behavior, and while we are far from perfect, we are committed to continuous improvement and to being leaders in our industry. Our goal, is that by pushing ourselves to do more in the areas outlined in this report, we will influence others, and in turn, make the world better by simply doing the right thing.

Bob Martin
Thor Industries President and CEO

COMPANY OVERVIEW

Thor Industries' humble beginnings 38 years ago with the purchase of Airstream put us on a path to be a leader in our industry. Since then, we've created thousands of jobs that pay well above the average, national per capita wage, helping to grow incomes in our industry. We've supported towns across the country and the communities we call home through philanthropy and partnerships. Along the way, we've connected people to each other and brought them into the outdoors.

21 COMPANIES

38 YEARS IN BUSINESS

17,500
ASSOCIATES

$55,453
MEDIAN INCOME

105%
ABOVE THE NATIONAL PER CAPITA AVERAGE

266,400
TOTAL VEHICLES MADE AND SOLD

240,865
TOWABLE VEHICLES

25,535
MOTORIZED VEHICLES

OPERATIONS IN **5** STATES

11,625,000
PRODUCTION SQUARE FOOTAGE

205
FACILITIES

IDAHO
INDIANA
MICHIGAN
OHIO
OREGON

DISTRIBUTION IN **9** COUNTRIES

2,300
DEALERS

AUSTRALIA
CANADA
CHINA
GERMANY
JAPAN
KOREA
TAIWAN
UNITED KINGDOM
UNITED STATES

*All statistics are as of July 31, 2018, unless otherwise noted.

MINIMIZING IMPACT

We're moving toward a more sustainable future by minimizing our own environmental impacts. We're incorporating LEAN manufacturing to reduce waste at our production facilities. We're sourcing renewable energy to power our manufacturing centers and our offices. We hope to build on these successes with continued investments to increase recycling, decrease waste, and power more of our operations through renewable energy.

FOCUS AREAS

- INCREASE RECYCLING
- DECREASE WASTE
- RENEWABLE ENERGY

MORE WITH LESS

Our processes are more energy and resource efficient than ever. In recent years, we've strengthened our recycling programs to reduce the amount of waste that goes to landfills. In addition, we've continued purchasing renewable energy credits to sustainably power our operations. As we grow, the cumulative impact of these programs across Thor Industries will be significant in reducing our environmental impact on the planet.

3,913 TONS
OF CARBON DIOXIDE OFFSET BY RENEWABLE ENERGY CREDITS

5,258,500 kWh
OF RENEWABLE ENERGY CREDITS PURCHASED

958 TONS OF **STYROFOAM**

991 TONS OF **PLASTIC**

2,364 TONS OF **PALLETS**

14,826 TONS OF **SAWDUST**

7,466 TONS OF **CARDBOARD**

97 TONS OF **CARPET**

7,640 TONS OF **ALUMINUM**

1,983 TONS OF **COPPER**

2,098 TONS OF **STEEL**

84 TONS OF **PAPER**

38,507 TONS OF MATERIAL RECYCLED

INSPIRING TOMORROW

We have a role to play in supporting the communities that build and use Thor products. We've focused on three areas where we can have the greatest impact. For young people in our hometown, we've developed an innovative and hands-on education program to introduce them to career opportunities in their own backyard in the recreational vehicle industry. For our associates, we've implemented professional development programs to help them advance their careers. Finally, we've taken a strategic approach to our philanthropic efforts and created new partnerships that will have lasting benefits for all who enjoy the outdoors.

FOCUS AREAS

- YOUTH EDUCATION
- PROFESSIONAL DEVELOPMENT
- INVESTING IN COMMUNITIES

LEAP PROGRAM

(Learn. Engage. Achieve. Perform.)

In 2017, we began partnering with local schools in Indiana to introduce students to different opportunities within the recreational vehicle industry.

The LEAP program gives students an immersive experience, bringing them face-to-face with Thor associates and teaching them about business management, product design, engineering, manufacturing, and more.

LEAP has three curriculum levels - fifth grade, eighth grade, and high school - and each is tailored to be both fun and educational. We engage them with problem-solving challenges that might be common in a manufacturing center or in an engineering office. After reaching thousands of students in our first year, we're planning to grow the program size to even more schools.

4,213
STUDENTS REACHED

84%
OF OUR GOAL TO REACH 5,000 IN IN OUR FIRST YEAR

86%
OF THE SCHOOL DISTRICTS IN ELKHART COUNTY, INDIANA PARTICIPATING

TWENTY EIGHT
SCHOOLS PARTICIPATING

"I learned that making something like a recreational vehicle is a big team effort!"

LEAP PROGRAM PARTICIPANT

CERTIFICATIONS AND TRAINING

We're providing professional development opportunities for our associates to increase their earning potential and, ultimately, build stronger communities.

Select Thor subsidiaries launched online learning and certification programs as well as a technical training academy. Combined, these programs represent an investment in our workforce, which has helped make Thor Industries the largest manufacturer of recreational vehicles in North America.

LEADERSHIP DEVELOPMENT

UNIVERSITY OF NOTRE DAME
Mendoza College of Business

We partnered with the University of Notre Dame's Mendoza College of Business to design a specialized curriculum focused on the recreational vehicle industry.

This rigorous executive education program prepares Thor's leaders to address today's challenges and tomorrow's opportunities. The partnership with the University of Notre Dame is a unique way to support our associates, help them hone their leadership and management skills, and better our industry and our communities.

COMMUNITY PARTNERS

Each year, we identify non-profit partners to support through direct giving. Many of the organizations we give to are doing good work in our hometown, and we're proud to partner with the local affiliates of national charities.

In the last six years, we've donated millions to more than forty organizations and participated in numerous associate volunteer days. As we grow our business, we continually explore ways to give back to communities.

$6M

GIVEN TO NONPROFIT ORGANIZATIONS
(SINCE 2013)

40+

ORGANIZATIONS SUPPORTED

OPEN LANDS, COAST TO COAST

America's National Forests comprise almost 8% of the surface area in the United States. They're home to virtually every form of outdoor recreation.

In 2018, we established an exploratory partnership with the National Forest Foundation, the non-profit partner of the U.S. Forest Service. Through a $50,000 commitment, Thor will provide strategic support to the more than 5,100 campsites, 150,000 miles of hiking trails and 9,000 miles of scenic byways.

193

MILLION ACRES OF NATIONAL FORESTS AND GRASSLANDS IN THE U.S.

5,100

CAMPSITES

COMMITMENT TO IMPROVEMENT

Last year, we continued to minimize our environmental impact through recycling programs that reduce the amount of waste per unit manufactured. We continued our investment to cleaner, more sustainable energy sources for our facilities. Still, there's more work to be done, and this year we'll be guided by an internal sustainability council that will help us develop and prioritize our efforts.

Last year, we created youth education programs to inspire the next generation to join our exciting industry. We sought out non-profit partners with strategic charitable giving to better the communities where we live, work, and play. In addition, we created new opportunities for Thor associates to advance their skills and pursue exciting career tracks. In the next year, we will expand each of these programs to reach more people.

Last year, we instituted new workplace procedures and installed new safety technologies. We're also exploring opportunities to make our manufacturing even more meaningful. Our goal in the years ahead is to inspire the entire recreational vehicle industry well beyond Thor Industries.

Invest in comprehensive recycling programs in all facilities

Reach 30,000 public school students with LEAP by 2022

Exceed workplace safety standards

Double our professional development opportunities

Increase investment in communities

Remove all legacy lighting systems by 2022

KEY INITIATIVES

PICK UP AMERICA

We're partnering with KOA to pick up America. This national partnership across campsites connects people with the opportunity to clean up outdoor recreation spaces by collecting 10,000 pounds of trash.

By leaving the trails, forests, waterways, and other high-trafficked recreation areas a little better than we found them, we help ensure others experience the outdoors for generations to come.

MEET THE FAMILY

Airstream® was founded in 1931, and, to this day, remains an iconic brand. The longest-tenured recreational vehicle manufacturer in the world, Airstream's travel trailers are distinguished by their rounded shape and bright silver finish. Each Airstream® trailer is made by hand in Jackson Center, Ohio.

Cruiser RV™ builds lightweight travel trailers and toy haulers for families and adventurers. Since 1988, every Cruiser RV is guaranteed to come with high-quality craftsmanship and affordability.

The Dutchmen line of travel trailers and fifth wheels are among the most recognizable and innovative on the market and come with one of the industry's best structural warranties. Dutchmen offers a turnkey recreational vehicle experience that is attractive to many young buyers.

As a pioneer in horse trailers, Bison Coach® shapes the industry by designing and hand building its trailers. Now with seven product lines, Bison Coach® is the largest manufacturer of horse trailers with built-in living quarters.

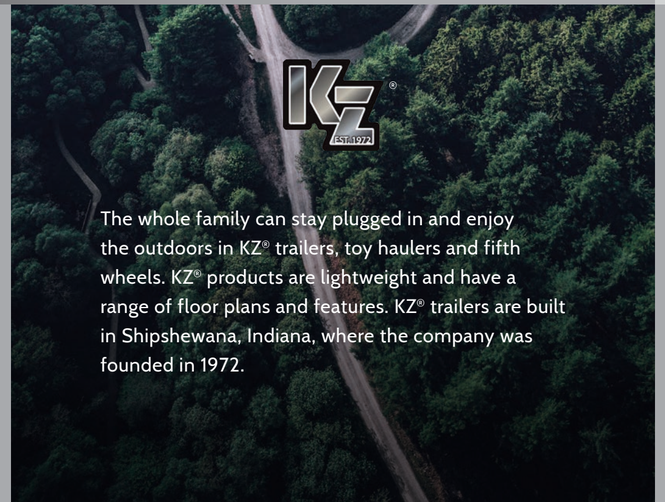
Since 1996, Crossroads® has been bringing the comforts of home to fifth wheels and travel trailers with modern design and innovative features. Crossroads RVs® are built by hand in Topeka, Indiana.

DRV Luxury Suites was founded in 2003 to create top-of-the-line fifth wheels that bring premium home finishes to the campground. The warm and inviting interiors raise the bar for luxury travel trailers.

Heartland® focuses on the next generation of engineering to produce fifth wheels, toy haulers, and travel trailers with cutting-edge features, lighter construction for easier towing. Among Heartland's® innovations are a patented improved turning radius, universal docking centers, and unmatched storage options.

Keystone® brands are designed and built to last. With a company philosophy that places the customer above all else, Keystone® develops innovative systems to make their recreational vehicles easy to use and maintain.

Highland Ridge RV® produces fifth wheels, travel trailers and toy haulers that are 10% to 15% lighter than the competition and are built to withstand the most demanding environments. Highland® is leader in lightweight and ultra lightweight recreational vehicles.



The whole family can stay plugged in and enjoy the outdoors in KZ® trailers, toy haulers and fifth wheels. KZ® products are lightweight and have a range of floor plans and features. KZ® trailers are built in Shipshewana, Indiana, where the company was founded in 1972.

Postle Aluminum™ is one of the largest producers of extruded aluminum components in the Midwest, serving recreational vehicle manufacturing and other industries.

Redwood® luxury recreational vehicles raise the bar for comfort and interior design. From the inside to the outside, Redwood® fifth wheels are built with the utmost attention to detail and are available in a variety of floor plans.

For more than fifty years, Starcraft® has been making camping fun through their line of dependable campers. The superior construction and quality craftsmanship, combined with Starcraft's® commitment to environmental stewardship, make them a unique choice.

TH2™ is a joint venture with Tourism Holdings Limited and Thor Industries that's reimagining the recreational vehicle experience to improve every aspect of ownership. TH2™ provides innovative and comprehensive digital applications to make owning a recreational vehicle more enjoyable, safer, and convenient.

Part of the TH2 family, Mighway® is a peer-to-peer recreational vehicle rental marketplace that connects owners with discerning renters who want to connect with the outdoors.

Thor Motor Coach's® diverse product lineup includes many of the world's most recognized Class A and Class C motorhome brands. As an industry leader in innovative design, Thor Motor Coach® builds a variety of unique styles, sizes, and floor plans that feel custom-made at competitive price.

Venture RV® is a top provider of lightweight and ultra-lightweight travel trailers designed with family camping trips in mind. With their extensive knowledge of the camping experience, Venture® optimizes every recreational vehicle for family adventure.

Roadtrippers is the nation's fastest-growing web and mobile travel planning platform, with more than 20 million trips booked to-date. Roadtrippers is a member of the TH2 family.

Togo™ is a technology company focused on improving the recreational ownership experience through mobile applications and technology. Togo™ is a part of TH2™, providing digital tools to recreational vehicle owners.

THOR

Go Everywhere. Stay Anywhere.

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