

TITAN MACHINERY

Power & Precision to Grow[®]



2021 STATEMENT ON SUSTAINABILITY

TITAN MACHINERY SUSTAINABILITY STATEMENT

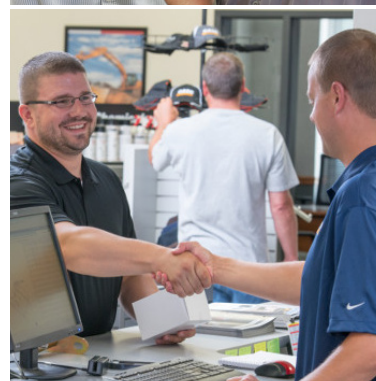
2020 PROGRESS REPORT · COVERING FY2021

Our mission at Titan Machinery is to serve our customers who feed and build the world by providing them with cutting-edge equipment solutions, as well as parts, service and technology support. As we strive to fulfill our mission, we are committed to intentional business practices that support long-term value for our stakeholders without compromising people, the planet, good corporate governance, or ethical business practices.

Titan Machinery's sustainability strategy is grounded in our commitment to the following principles:

- Health and safety of our employees, customers, visitors and contractors
- Inclusive and engaged workforce
- Protection of the environment and conservation of natural resources
- Community engagement
- Good corporate governance
- Conducting business with integrity

Our sustainability strategy is accomplished through our initiatives in the areas of **Our People, Community Engagement, Our Environment, and Corporate Governance.**





OUR *People*

We recognize that our success is highly dependent upon the talents and dedication of our employees, an inclusive and engaged workforce, and keeping our employees healthy and safe.

Health and Safety; Employee Wellness Program

Employee health and safety is of paramount importance to us. We believe it is our responsibility to maintain a safe and healthy workplace in each of our facilities and to make continuous improvements in this area. We do this by embedding safety into every level of the organization as a top priority. We ensure that safety performance data is tracked, aggregated, and reviewed on an ongoing basis across our organization. Our corporate safety team collects data on recordable injury rates, serious injury rates, and near misses from each of our facilities, and engages in a root cause analysis and identifies corrective action to prevent future occurrences. This data is reviewed monthly by the executive leadership team and shared with the Company's Board of Directors on a quarterly basis. Safety meetings are also held at each of our facilities on a regular basis.

We are also committed to improving the health and well-being of our employees. Our U.S. wellness program was established in 2017 and is continuously evolving to better educate, motivate and reward our employees for maintaining and achieving healthy measures.

In 2020, we launched the "Titan Safe" awareness program that launched to heighten focus on the consistent use of personal protective equipment (PPE) to prevent injuries. We

consistently emphasize distracted driving prevention as we have many employees on the road every day. We remain committed to continually improving safety training and leveraging technology to widen the sharing of incidents and important messages to raise awareness and lessen risk.

Like all businesses, we have been challenged by COVID-19. When the pandemic hit, our number one focus was to safely operate our stores to provide the equipment, parts and service support that our customers counted on to run their essential businesses. We made significant investments in protective equipment and put procedures in place to protect our employees, our customers, and our communities including adding plexiglass shielding for workspaces, asking employees and customers to wear masks, offering contactless parts pick-up and equipment drop-off, improving our cleaning/sanitation procedures, among many others. We also added/amended policies to allow for more flexibility for our employees to reduce their potential exposure to COVID-19 and allowing employees to cope with school closings and other disruptions to daily life.

We believe that our proactive, measured approach to the pandemic has been highly successful for all stakeholders in Titan Machinery — our customers had access to the essential products and services they need to run their businesses, our employees were provided a safe, stable environment to work, our suppliers were able to count on Titan Machinery to provide 'hands-on' product/service support for their products, the communities we are a part of were boosted by the unwavering presence of the local Titan dealership, and our investors benefited from the strong financial showing Titan Machinery was able to deliver during an unprecedented pandemic.

Inclusive and Engaged Workforce.

Titan Machinery strives to attract, select, and retain a diverse workforce that is reflective of the communities in which we live and work. We support personal growth and offer training to employees at all levels and across each business area to help individuals achieve and maintain their expertise while amplifying their natural strengths. We know that an inclusive and diverse work environment where employees are growing their strengths and abilities will generate greater engagement, loyalty, innovation and increase the value-add for all stakeholders in our company.

We conduct periodic employee engagement surveys designed to monitor overall employee engagement, and to identify actions that can be taken to improve our employees' motivation and job satisfaction. Data collected in each annual employee engagement survey is maintained and used to track our progress against our internal goals.

Training and Development

We devote significant resources to employee training and development, including tuition assistance for career-enhancing academic programs. Our training and development programs are designed to facilitate the development and advancement of talent from within our organization to ensure we continuously fill our ranks with qualified employees for critical positions in the organization. Members of our training and development team collaborate with employees from our various operations teams to identify our strategic training needs and prioritize the development of appropriate training content.

Titan Machinery partners with programs across our footprint to support workforce development and education for technical roles, including partnerships with educational institutions, FFA, and military organizations. We support early career growth through our internship programs, a highly successful pipeline development initiative resulting in over half of interns returning to a full-time position with Titan Machinery. Ongoing technical training opportunities are available within each business area, as well as leadership development across a broad range of disciplines, including profitability strategies, financial management, collaborative selling, and customer service, to name a few.





Community **ENGAGEMENT**

We are committed to being a good neighbor and community member in all of our locations. We encourage our employees to share in our commitment to the communities where we operate. As busy as our employees are, they make time to help their neighbors and support charities across our footprint. We offer all regular employees up to 12 hours of paid time off each calendar year for volunteer firefighting and emergency medical assistance, and an additional 16 hours of paid time off each calendar year for other community service activities.

Our teams have packed baskets of food for families in need, picked sweet corn for a local food bank, served as a landscaping crew for Habitat for Humanity, and much more. Other projects recently undertaken by our team members include counting school supplies and stuffing backpacks for a school supply drive, as well as many other individual and small group service activities. Titan Machinery employees actively volunteer in their local fire departments and first-responder teams. We're helping to bring the caring capacity of a global company to life in local communities in inspiring ways.

We engage in extensive outreach programs to interest high school students and others to explore dealership careers,

especially in the areas of diesel technology and parts sales.

Beginning with career exploration, Titan's EDGE program allows high school students the opportunity to explore dealership careers and begin their professional journey. Connecting students to their community careers is a key aspect of this program.

Individuals looking to further their passion and talent for a career path can gain a career partner through sponsorship and internship programs. Sponsorships in diesel technology and parts sales provide financial and professional support for individuals gaining educational training and on-the-job training within a dealership. Titan Machinery's summer internship programs provide college students a pathway into our industry and allow them to gain professional experience in a real-world business setting.

Completion of any early-career program with Titan Machinery provides an opportunity for further career growth and development within our company, our industry and our community. It is a privilege to offer these programs and allow for community workforce support and growth.

OUR *Environment*

Titan Machinery is proud to partner with CNH Industrial (CNHi), a leading worldwide OEM supplier of off-road equipment, and one that has been on the forefront of sustainable product innovation. In their most recent sustainability report, they again established that they are actively engaged in reducing CO2 emissions with its manufacturing processes, and are focused on occupational health and safety, based on effective preventative and protective measures.

CNHi believes in powering sustainable transformation and that sustainability is a business enabler, the key to creating real competitive advantage. Their commitment to sustainability can be seen in their product strategy, including expansion into digitalization and automation, as well as the adoption of a decarbonization strategy. In 2019, their plants saw a year-on-year reduction of 15% in CO2 emissions per hour of production, almost 72% of electricity consumption from renewable sources, and a drop of about 19% in CO2 emissions from global inbound and outbound logistics compared to 2014.

The FPT engines that power the machines we sell and service produce more horsepower with significantly lower emissions through Selective Catalytic Reduction (SCR) technology and extended service intervals. With the new Case 580 EV “Zeus” backhoe, CNHi has introduced the construction industry’s first fully electric-powered backhoe with 90% lower cost of operation, lower jobsite noise, lower daily and lifetime operating costs, reduced maintenance demands and zero jobsite emissions. The Project TETRA methane-powered wheel loader is another demonstration of CNHi’s commitment to sustainability through innovative alternative propulsion solutions. Titan Machinery plays a key role in helping educate our customers on the benefits of sustainable technology adoption. As these technologies and others like it are developed and rolled out to the industry by CNHi, Titan Machinery stands ready as a trusted partner to provide the customer product support infrastructure necessary to successfully launch and support the adoption of these new, cleaner, more efficient equipment technologies.

Precision Technology is one of the key factors in increasing sustainability in the agricultural and construction markets, and CNHi is aggressively pursuing an industry-leading role in both markets. The CNHi Connect Platform, currently factory available on many models and soon to be available across the CNHi fleet, provides unprecedented Farm, Field and Fleet connectivity from anywhere at any time, and puts the power of Big Data into producer’s hands. CNHi’s Soil Command and Harvest Command technologies reduce fuel usage while increasing productivity, and now interface with Connect providing crucial planning data. Other machine technologies available from CNHi such as Precision Planting, Aim

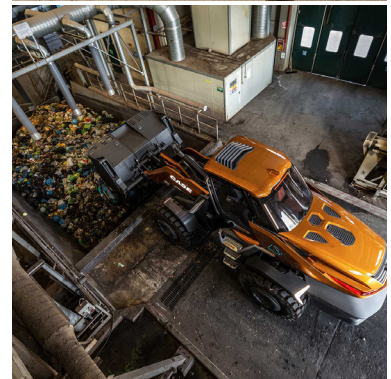


Command, and most recently Augmenta, are the result of CNHi partnerships with technology leaders that enable precise control of the quantity and placement of fertilizers, herbicides and insecticides thereby reducing environmental impacts of over-application and misapplication.

For the Construction segment, CNHi has partnered with Leica to provide factory installed and aftermarket availability of Leica control and measurement systems that greatly reduce waste and inefficiency at the job site. The factory fit hardware, software, and data connections are the foundation for precision agronomy and construction techniques utilizing prescriptive and remote equipment management. Titan Machinery is an early partner with CNHi in bringing this equipment to market, piloting the new technologies, and ensuring the expected value is delivered and that customers are taking full advantage of the powerful analytic and control tools available to them.

While our focus is helping our customers achieve greater productivity with fewer inputs, we recognize that in selling and supporting even the latest equipment and technologies, our operations generate greenhouse gases (GHG) which contribute to the global challenge of climate change. As a responsible stakeholder in the future of our planet, we continue to take steps to mitigate and reduce the amount of GHG that we produce in our day-to-day operations. Many of our facilities have reduced their use of conventional energy sources by utilizing “waste oil” generated from servicing our vehicles and our customer’s vehicles as a primary winter heat source. The “second use” of these petroleum-based products effectively eliminates a potential pollutant while also reducing consumption of new energy and disposal risks. Our service shops utilize highly efficient water-cooling systems that require a fraction of the energy needed for conventional air conditioning systems with no environmental risks. Energy conservation and overall efficiency are hallmarks of all the facilities we have built, from optimizing insulation installation to upgrading windows and doors to reduce the amount of energy necessary to heat and cool our facilities.

Our direct emissions result primarily from heating our other facilities with natural gas and the fuel consumed by our fleet of nearly 1,000 vehicles. Our stores have primarily been leased as we have acquired new locations and our next step will be a GHG emissions evaluation across our footprint so that we can effectively partner with facility owners to implement more efficient energy systems. In the meantime, we continue to reinforce energy conservation with our local teams, ranging from replacing incandescent with LED lighting to eco-friendly temperature control. We are also replacing about 13% of our rolling fleet of pickup and service trucks per year with updated fuel-efficient and reduced-emission models while continuing to optimize our delivery logistics.



As a matter of our standard environmental safety procedures, Titan conducts internal audits to assess spill risks, implemented a standard Spill Prevention, Control, and Countermeasure (SPCC) Plan, and conducted training on oil spill prevention and used oil management practices at all locations. We also check our wash bays for wastewater runoff to ensure that oil, dirt and any other contaminants are being properly removed prior to returning to local water systems. Titan Machinery also continues to partner across our footprint with an internationally recognized environmental recycling and disposal company - to increase our awareness and understanding of environmental impacts and risks, and to ensure we are following all requirements for handling and disposal of potentially harmful waste items.

GOOD CORPORATE GOVERNANCE, CONDUCTING BUSINESS WITH *Integrity*

To be sustainable, we must be profitable. To be profitable in the long-term, we must implement and follow good corporate governance practices. Our Board of Directors has adopted a governance structure that insures sound decision-making, protects the interests of all stakeholders (stockholders, employees, suppliers, and customers), and promotes an environment of trust and accountability necessary for fostering long-term investment, financial stability and business integrity.

Our employees are guided by our corporate core values of: “Our People”, “Integrity”, “Excellence”, and “Teamwork.” We promote these values from the top down. In every business decision and transaction, we endeavor to do the right thing – and we expect our employees and business partners to share in this effort. This means conducting business with integrity, while complying with all laws, rules and standards of conduct that apply to us in the many countries where we do business. We promote our commitment to ethics and compliance among our global workforce through our Code of Ethics and related policies, and training programs.

