

CHAIRMAN'S MESSAGE

Martin Richenhagen, AGCO's Chairman, President and CEO

Our business priorities—to deliver high-tech solutions for farmers feeding the world—dovetail directly with our corporate social responsibility priorities, which include food security and improving quality of life in agrarian communities. We strive to make an impact beyond the communities where we do business, whether through charitable donations, volunteer efforts, or business initiatives. Helping improve quality of life for people worldwide in a sustainable way is part of our cultural DNA.



Building sustainability into our products and services

AGCO's financial strength—our sales topped \$8.3 billion in 2017 and are on track to continue growing—enables us to invest in innovation. Our research and development budget averages between three and four percent of sales. Much of this goes towards developing products that help farmers increase their food production while also reducing their environmental impact. For example, we recently introduced our first all-electric tractor, the Fendt e100 Vario, which can be used in agricultural, industrial or municipal environments. As of March 2018, all Valtra tractors manufactured in Finland are filled with renewable diesel fuel as they roll off the assembly line. AGCO also introduced new technology in our RoGator C Series self-propelled row crop applicators to improve efficiency for farmers and reduce over-spraying and runoff, minimizing environmental impacts.

Launching the AGCO Agriculture Foundation

In 2018 we proudly launched the AGCO Agriculture Foundation (AAF). AGCO's agricultural experience, resources and network will help build infrastructure to support sustainable agriculture development.

The AAF is a testament to AGCO's commitment to support our farmers feeding the world.

Through this new philanthropic arm, we show our strong commitment to specific Sustainable Development Goals developed by the United Nations and demonstrate our holistic approach to prevent and relieve global hunger and provide basic necessities to a growing world population. As a private philanthropic organization, AAF will support non-profit initiatives that contribute to Zero Hunger, support sustainable agriculture development, advance quality education, uplift rural communities and promote the ethical treatment of animals in our supply chains.

Improving farm income and bolstering food security

Farmers in developing markets typically have a lower level of mechanization than their developed counterparts. But with increased access to technology, improved infrastructure, and leveraging best practices, farmers can increase their yields, boosting food production as well as their own incomes. This creates a ripple effect across communities. As the world's population continues to grow, it becomes more critical to invest in emerging markets, not just for business reasons, but to improve food security and quality of life.



In the past year, AGCO has made multiple investments in emerging markets. We started production in our expanded manufacturing facility in Queretaro, Mexico. We opened an office in Johannesburg, South Africa to serve as a regional hub for our Africa operations. And we created the AGCO Agribusiness Qualification program, a partnership with Strathmore Business School, Harper Adams University and The Bridge Africa, to educate the next generation of African leaders in the agricultural business industry. All of these efforts bring us closer to our customers in emerging markets and contribute to vital economic and community development.

Living our values every day

AGCO's values are critical to how we approach our work every day. Fostering diversity of thought and inclusive behaviors helps us all find better solutions through collaboration. With this in mind, we recently launched the **TRAIT** program to emphasize our values of **T**eam Spirit, **R**espect, **A**ccountability, **I**ntegrity and **T**ransparency while supporting business success and individual fulfillment. Our four areas of focus for **TRAIT** include human capital, community, markets and suppliers.

We are also proud to celebrate the seventh anniversary of the AGCO Global Women's Network (AGWN), a business advisory group that develops, promotes and advocates women leaders and a diverse culture at AGCO. AGWN has local chapters around the entire organization that promote professional development, networking and community service programs.

Showing the way forward

Supporting the triple bottom line—economic, environmental, and social—is second nature to us at AGCO. We have many challenges ahead of us, not just as a company, but as citizens of a growing world. Everyone at AGCO is committed to putting our talent and our investment towards a better future for ourselves, our dealers and farmers. And we will continue to cultivate our CSR culture to meet the world's challenges.