



# Our Farmer-First Focus

AGCO is dedicated to helping farmers thrive.

Our high-quality, smart solutions and the exceptional experiences we offer our customers start by listening to farmers and deeply understanding their needs. We strive to address farmers’ challenges at every point in the agricultural value chain, so they can build and maintain the most productive, efficient and sustainable operations possible. AGCO succeeds when its farmers succeed, and ensuring the sustainability of farmers’ operations is essential to their long-term growth and productivity.

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# “Our commitment to precision agriculture innovation places us on the right path to addressing sustainability.”



**Eric P. Hansotia**  
Chairman, President, and  
Chief Executive Officer

Climate change offers enormous challenges and opportunities for the agriculture industry. As I reflect on 2021, I'm encouraged by the progress we've made at AGCO to help farmers become part of the solution to the world's most pressing environmental concerns.

In 2020, we established AGCO's sustainability strategy, and have made meaningful progress in 2021 against our goals. These early results have confirmed that our commitment to precision agriculture innovation places us on the right path to addressing sustainability.

That path is guided by our purpose as a company: farmer-focused solutions to sustainably feed our world. Our purpose is woven into everything we do.

We translate our purpose into concrete action through our four sustainability pillars: advancing soil

health and soil carbon sequestration, prioritizing animal welfare in food production, decarbonizing our operations and products and elevating employee health and safety.

Advancing soil health and soil carbon sequestration through smart solutions puts farmers on the front lines of combating climate change. By choosing sustainable farming practices and leveraging smart solutions, farmers can sequester more carbon in the soil and maximize their soil's productivity.

Farmers are interested in improving the agronomic value of their farming practices as well as their business results. Our precision agriculture solutions — available on new equipment or as retrofits — improve both farm profitability and sustainability. We launched 23 new Precision Ag solutions this year, and announced exciting developments

in the area of “Targeted Spraying,” using vision systems and artificial intelligence and machine learning to dramatically reduce the amount of herbicide applied.

We expanded our impact in this space through several acquisitions and partnerships, and by increasing our research and development spending by over \$60 million. We have continued our outreach efforts to demonstrate these innovations to farmers through our global Crop Tour program, demonstration farms, and Precision Planting Winter Conference.

We made important gains in prioritizing animal welfare in food production last year. We acquired Faromatics, which offers a mobile robot that uses artificial intelligence to monitor the environments around individual chickens, helping to ensure their comfort and safety, while improving productivity. We are also in the process of constructing new facilities on the University of Georgia campus to conduct animal welfare test trials research; this approach is similar to the work we do at our model farms around the world for agronomic field trial research.

Decarbonizing our operations and products is going well. We increased the use of renewable electricity across our facilities to 52% and renewable energy to 32%, and achieved an 8% reduction in emissions intensity during a record year of growth. We are making good progress in our development of low- and zero-emission tractors including the ongoing development of our Fendt e100 all-electric tractor. We have furthered our industry leadership in the fuel efficiency of our equipment.

We elevated employee health and safety throughout 2021. Employee health and well-being was front of mind as the Covid-19 pandemic continued. We also made meaningful safety improvements, ultimately reducing safety-related incidents by 12 percent. To achieve sustainable improvement in this area, we introduced the global Focus 2.0 safety program to extend our safety culture beyond manufacturing into all areas of the business.

Considering our responsibility as a global employer, diversity, equity and inclusion remains an important priority for AGCO. In 2021, we reached 18% women in leadership, appointed a dedicated global head of Diversity, Equity and Inclusion, and expanded unconscious bias training across the enterprise. While these are important actions, we have significant room to improve, and we can and will do more — setting a new goal to reach 25% women in leadership by 2030.

I'm proud of the progress we've made over the past year, and I recognize there is still much we can do to live our purpose and help farmers sustainably feed our world. The AGCO team is committed to making meaningful contributions to improve our world today and for future generations.

**Eric Hansotia**  
Chairman, President and  
Chief Executive Officer



## Year at-a-glance

It was a productive year for AGCO, in which we reached some important goals. Here are just some of the highlights of our achievements in 2021 versus 2020.

# 52%

renewable electricity use  
(up from 40%)

# 32%

renewable energy use  
(up from 27%)

# 12

sites using 100%  
renewable electricity  
(up from 8)

Advancing our precision agriculture tools, to aid **carbon sequestration and soil health**

# 13%

reduction in GHG  
emission intensity  
(scope 1 and 2)

# 8%

reduction in  
energy intensity  
(scope 1 and 2)

# 11%

increase in  
Reman revenue

Progress in our development of **low- and zero-emission tractors**

# 80%

of AGCO Production Ag Fleet  
connected in 2021

Adding more **sensors and data interconnectivity** to our products, to help create farming management networks

# 26%

manufacturing sites certified ISO 45001 Health and Safety Management System

# 59%

manufacturing sites certified ISO 9001 Quality Management System

# 12%

reduction in incident rate

A revamped organization-wide safety initiative, **Focus 2.0**, that goes beyond manufacturing to instill **a culture of safety throughout our entire company**

# 62%

of employees participated in a global engagement and experience survey, part of a new **"listening strategy"** that will provide insights into **diversity, wellness and more**

# 14%

of U.S. employees are ethnically diverse

# 18%

women in leadership

# 30%

of Board members are women

# 30%

of Board members are ethnically diverse

# ~6

average tenure (in years) of Board members

# Our Business

We have a purpose: to deliver farmer-focused solutions to sustainably feed our world.

**A** GCO is a worldwide manufacturer and distributor of agricultural machinery and precision agriculture technology. Our award-winning products span the entire crop cycle from seed to storage, supporting farmers with the smart tools they need to grow profitable, sustainable operations. We are united by our shared commitment to making our farmers successful across our brand portfolio, backed by an independent dealer network more than 3,200 strong, spanning over 140 countries across four geographical regions. We are dedicated to innovation in farm equipment, investing more than \$3 billion in R&D over the last decade.

**PICTURE CAPTION**

Three generations of Fendt farmers in South Africa.



# Our leading brands



*Challenger*

For demanding agribusinesses, **Challenger** is the high-performance, reliable and intelligent machinery that provides unmatched productivity. Today, Challenger represents proven and powerful track tractors as well as agronomically advanced crop protection and fertilizer applicators with its RoGator and TerraGator offerings in North America.



**FENDT**

**Fendt** is the leading high-tech brand within AGCO for customers who demand nothing but the best quality from machines and services. Fendt tractors and harvesting machines work around the globe, both on professional farms and in non-agricultural applications. Customers benefit from innovative technology to improve performance, efficiency and profitability. Using resource-friendly solutions from Fendt helps farmers and contractors worldwide to work in a sustainable way.



**GSI**

**Grain & Protein** is built on brands committed to helping farmers, managers and integrators nourish a growing population by preserving more of the grain they produce and optimizing conditions for healthy livestock production. It is driven by five key brands: Cimbria®, GSI®, AP® (Automated Production), Cumberland® and Tecno®. The brands drive productivity for customers globally through smart and reliable grain and protein solutions to ensure food security, sustainability and animal welfare.



**MASSEY FERGUSON**

**Massey Ferguson** offers a straightforward and dependable experience providing the best value for farmers around the world. Massey Ferguson has earned the loyalty of farmers by leveraging an innate knowledge of the land, the farm, the machines, and equipment needed to get the job done. Massey Ferguson has been a trusted partner of farmers for 175 years of innovation.



**Precision Planting**

**Precision Planting** provides practical and effective precision agriculture technologies to help farmers continuously improve their operations. Precision Planting focuses on developing smart products that improve planting, liquid application, harvest, and spraying operations on farms across the world.



**VALTRA**

**Valtra** stands out in the industry with easy-to-use, highly customizable tractors, offering reliability, durability, versatility and high-tech smart features that have made it a pace-setting brand in Europe, South America and other regions, across a wide range of applications.



# Our Strategy

We are committed to accelerating progress in integrating sustainability into our design, manufacturing and distribution of smart agricultural solutions across the entire value chain.

**P**ledging support for sustainability isn't enough. What counts is doing something about it. We're taking action across all our brands and regional operations to advance sustainability within our company, in the farm equipment industry, and most important, for farms everywhere. Sustainability shouldn't be a burden on farmers, but an enabler. We're committed to helping farmers adopt tools and practices that are as good for the planet as they are for their businesses.

## Our sustainability objectives

### POSITIVE SOCIETAL IMPACT

AGCO has identified ways to invest in sustainability improvements to have the largest possible impact on some of society's biggest challenges, including climate change and strengthening the global food supply.

Moving the needle on these enormous challenges cannot be achieved overnight. It requires a large, ongoing commitment that's well-targeted, and backed by a well-thought-out strategy executed with discipline. We're working to bring sustainability considerations into each area of our business, with a great deal of thought and purpose, and with the full support of our leadership and workforce.

We know there is much work yet to do. We are on a journey to further incorporate sustainable solutions that improve social outcomes, and we are optimistic about the path forward.

### INDUSTRY IMPACT AND LEADERSHIP

AGCO can't go it alone. We want to see an industry-wide movement to target sustainability improvement throughout agriculture. We intend to be at the forefront of that movement, setting examples where we can, and encouraging and supporting others' initiatives wherever possible. AGCO currently participates in a wide range of agriculture-related trade groups and associations around the world, increasing our reach in addressing farming sustainability challenges at scale.

### FACILITATING THE PATH TO GLOBAL FOOD SECURITY

Farmers are indispensable as managers of the natural environment. They understand regional ecosystems and the sustainability challenges of their communities better than anyone, making them vital players in ensuring global food security. AGCO sees it as an imperative that the path to global food security be approached in a way that protects farmer livelihoods.

We have identified ways to help farmers do just that, through our products, our outreach and our finance solutions. When farmers enlist our products to reduce their greenhouse gas (GHG) emissions, for example, or enhance soil health, they are not only advancing the sustainability of their operations, but also ensuring their own productivity and business health.

12  
 manufacturing sites  
 were running on **100% renewable electricity**  
 in 2021 (compared  
 to 8 in 2020)

### DEVELOPING SUSTAINABLE SOLUTIONS

The agricultural tools we offer farmers today are designed to advance sustainability. But we want to do much, much more. Reducing GHG emissions is good, but how do we help farmers increase yields, without compromising on quality and profitability, and while using less water and chemical inputs? Can farms run on renewable energy alone? How much waste can be reduced through material and component reuse?

To answer these questions and provide the products that will become tomorrow's best solutions, AGCO is investing heavily in research and development aimed at boosting farming sustainability from different angles. Our product line has already made significant strides toward helping reduce energy consumption and GHG emissions, and improving soil health with reduced inputs. But far more is under way.

### INVESTING IN SUSTAINABILITY PROJECTS AND PARTNERSHIPS

However much we can do to help advance sustainability, we know that collaborating with other thought leaders can accomplish even more. That's why we're partnering with academia, sustainability advocates, and other companies, in order to find ways to work together to solve the urgent and enormously pressing problems facing the planet. Among our collaborations:

- + **The AGCO Acceleration Center** at the University of Illinois Research Park, which focuses on developing new-to-market solutions and advanced technologies to help farmers with crops and animals.
- + **The Fraunhofer Institute**, which is working with Fendt equipment to develop agrivoltaic systems that enlist solar panels on farms both to generate electricity and protect crops.
- + **UniLaSalle Polytechnic Institute's** Chair in Agricultural Machinery, supported in part by Massey Ferguson, and dedicated to cutting-edge research in agricultural solutions.
- + **A targeted spraying collaboration** with Robert Bosch GmbH, BASF Digital Farming GmbH and Raven Industries Inc. is evaluating spraying technology that can reduce crop input costs while advancing sustainability. AGCO also made an equity investment in the precision-spraying company **Greeneye Technology**.

◀ At AGCO we strive to use renewable energy for our manufacturing sites.





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## GROWTH THROUGH SUSTAINABILITY OFFERINGS

Sustainability in farming doesn't require farmers to sacrifice productivity or profits. We can help farmers align sustainability goals with their current cost and productivity interests, so that they protect the environment at the same time they're growing their business. To help with the transition to more sustainable farming, we provide outreach and education on the longer-term, broader benefits of sustainable approaches. At the same time, we work to ensure farmers are aware that AGCO is an industry leader when it comes to offering a range of farming solutions that can improve sustainability alongside their bottom line.

## SUSTAINABLE GRADE INVESTMENT

We want to attract investment from those who support our commitment to sustainability. We're making it easier for investors to assess our progress by setting up the systems that can provide high-quality data on our sustainability goals and metrics, and by incorporating climate risk into our risk-management strategies.

See [Increased Transparency in ESG Reporting](#) for more details.



## Our sustainability priorities

While there are many ways we can contribute to sustainability in agriculture, as well as inside our own business, there are four that we have made our top priorities. These pillars cross boundaries in our company, impacting our different functions, and ensuring that our entire workforce feels the urgency of these four goals.

### ADVANCING SOIL HEALTH AND SOIL CARBON SEQUESTRATION THROUGH SMART SOLUTIONS

We offer farmers the precision agriculture tools and technologies they need to increase their soil's productivity while using less inputs, capturing more carbon dioxide, and leaving the soil healthier and more resistant to erosion.

### DECARBONIZING OUR OPERATIONS AND PRODUCTS

We're designing machines and technologies that reduce fossil fuel consumption and GHG emissions for a given amount of work. And we're finding ways to reduce energy use and incorporate more renewable energy in our own operations.

32%

of the energy used in our manufacturing plants in 2021 came from **renewable sources**, such as purchased renewable electricity, on-site solar generation, biofuel and biomass

### ELEVATING EMPLOYEE HEALTH AND SAFETY

Sustainability includes protecting employees, and we've been taking a wide range of steps through our Focus 2.0 program to ensure our own employees enjoy safe environments and practices that enable them to come home safely to their families at the end of the day.

### PRIORITIZING ANIMAL WELFARE IN FOOD PRODUCTION

Animals raised for food production must be kept as healthy and comfortable as possible. Our poultry, egg and swine production offerings have been developed with animal health and welfare as a top priority.

◀ German Fendt customers examining their wheat field.

# Our Planet

As a business with global reach and influence, we have a responsibility to decarbonize our products, our operations and our supply chain.

**C**limate change is upon us, fueled by GHG emissions, particularly carbon dioxide. The science is clear that we must sharply reduce emissions within a few decades to avoid catastrophic consequences. There is no time to waste.

Farming is deeply vulnerable to the effects of climate change, which can include extreme weather events such as drought in some regions and flooding in others, rising average temperatures, and other problems. By the same token, farming can play an outsized role in the critical challenge of reducing GHG emissions. More than a fifth of the world's emissions come from the food sector, and almost a third of the world's energy usage is attributable to agriculture and food industries. If farmers can reduce emissions, and if agricultural land can sequester more carbon, the impact will be significant.

**PICTURE CAPTION**

Agriculture is highly vulnerable to climate change impacts, which has implications for food security.



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## Facing the climate crisis

AGCO is taking action to make our operations more resilient to climate impact — and supporting farmers in doing the same.

### GLOBAL CLIMATE RISK ASSESSMENT

In 2021, to further innovate to support farmer adaption and resilience, and also learn how we can better prepare our own operations for the future, we worked with an external party to conduct a global climate risk assessment. We used the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), recognizing that they represent an important framework for analyzing and reporting on climate-related risks and opportunities.

As a result, AGCO issued its first TCFD Report, and we intend to build on it in future years in parallel with our growing response to climate change. We are incorporating the TCFD framework into our sustainability program, and these efforts have already included benchmarking, climate scenario analysis, and resilience and management preparedness. By addressing the TCFD recommendations, we are increasing our preparedness for both the potential physical and transition impacts associated with climate change.

The results of the climate scenario analysis indicated that we anticipate climate-related physical risks affecting our customers to drive the greatest potential impacts to our future business. With our Farmer-First strategy, we aim to drive success for our farmers, as they experience some

of the greatest impacts of climate change. Climate-related impacts to our customers can ultimately impact our revenue growth and business operations overall.

In pursuit of the identified opportunities, AGCO's existing investments in precision agriculture, on-site renewable energy, energy efficiency projects, as well as research and development activities focused on automation, robotics, electrification of products and future fuels, provide significant prospects to capitalize on the identified climate-related opportunities.

Based on our analysis of climate-related risks, AGCO is considering additional options for mitigation of climate risks and for increasing the resiliency of our business. Existing initiatives already contribute to a level of preparedness. Improvements to our internal processes, as a result of accounting for climate risks and opportunities, will allow us to significantly increase our overall resiliency posture. We will continue to foster conversations with our TCFD Working Group to identify additional and changed climate-related risks and opportunities as society progresses towards either the well-below 2°C (“WB2D”) scenario where temperature increase is not likely to exceed 2°C or the “business-as-usual” scenario where emissions continue rising at current rates. As the intensity of the effects of climate change are still uncertain, we will look to our TCFD Working Group for advice in propelling our future business forward through identified opportunities.



## Our sustainability transformation

AGCO is committed to building a strong foundation for its efforts to meet emissions reduction goals, and more broadly in advancing sustainability. That commitment has led to ongoing transformation on two key fronts: firstly, in our own operations and secondly, in providing farmers with products that enable them to thrive as food producers while becoming ever-better stewards of their lands and the environment.

### Improving how we track our sustainability data

Being able to gather and act on good quality data is a foundational element of decarbonizing operations. To drive for sustainable outcomes across AGCO facilities, we must first understand how resources are being used today. Similar to how we build tractors, we need knowledge, proper tools, and instructions on how to apply our knowledge and use the tools to achieve energy-efficient operations. To that end, our Sustainability Tracking and Reporting (STAR) system and Quick Energy Saving Tools (QUEST) allow us to measure and report on our efforts.

### Ensuring data quality and driving performance through AGCO STAR

Our AGCO STAR program is helping us identify, quantify and share best practices at our facilities. AGCO STAR is powered by Enablon, an industry-leading environmental, health, safety, quality and sustainability software provider, and features a number of key capabilities, including:

- + Centralizing global sustainability data into a single tool
- + Streamlining and automating sustainability data collection
- + Tracking individual site progress against corporate goals
- + Generating corrective and preventive action plans
- + Benchmarking performance to drive the evolution of best practices
- + Producing interactive reports and dashboards

To learn more about our approach to climate, read the [2021 TCFD Report](#).

◀ A Valtra farmer in Germany examining his soil ahead of the next crop.



## DECARBONIZING OUR PRODUCTS

### FUEL EFFICIENCY AND CLEANER ENERGY

The most direct and immediate way to support farmers in reducing GHGs is to provide equipment that is more fuel efficient, or that provides alternative routes to low- or zero-emission farming. That is, we need to find ways to “decarbonize” our products.

#### Fendt e100 all-electric tractor

Fendt is committed to decarbonization by prioritizing the research and development around the revolutionary e100 all-electric tractor, currently in the advanced pilot stage and targeted for commercial launch before 2025. The Fendt e100 has the potential to be an especially strong entry in livestock, specialty crop and municipality applications,

and points the way forward to emission-free equipment.

### Exploring alternative, cleaner energy

There are other routes to zero or lower-emission farming, and AGCO is actively exploring many of them. For instance:

- + Fendt is developing a prototype tractor powered by carbon-free, hydrogen-based fuel cell technology for an award-winning German H2Agrar model project
- + Massey Ferguson and Valtra are experimenting with a concept hybrid tractor combining a battery-powered motor with a smaller internal-combustion engine, offering an interim route to all-electric farming
- + Valtra is researching tractors running on biomethane, which is a carbon-neutral fuel, and natural gas, a reduced-emission fuel

**More than 90%**  
of the material that  
goes into a Valtra  
tractor is recyclable

It’s true that today, and for the next several years at least, that the great majority of tractors will remain powered by internal combustion engines running on traditional fuels. That doesn’t mean we can’t make significant inroads into reducing emissions. AGCO has been demonstrating aggressive leadership in designing fuel-efficient vehicles and equipment that can substantially reduce the amount of fuel needed in high-productivity farming.

◀ AGCO Power engines being optimally designed and built to deliver fuel savings while limiting emissions.

### Reducing fuel consumption

AGCO has been focused on reducing tractor fuel consumption across all its tractor brands — without compromising performance — thanks to advances across the entire power train, including its best-in-class continuously variable transmissions (CVTs). Through more efficient design and by incorporating high-strength, lighter materials across our product range, we’ve also been able to reduce weight in many of our products, further reducing fuel consumption.

Carbon dioxide isn’t the only type of emission we’ve targeted for reduction. We’ve been at the forefront of the industry in limiting emission of nitrogen oxides (NOx), gases which at high levels can be harmful to the environment and human health. In addition to meeting and often exceeding the many different local emissions standards, AGCO’s engines are Tier 4 compliant in the U.S. and Stage V compliant in Europe.

### SUPPORTING THE CIRCULAR ECONOMY

Building a more circular economy is a win-win for farmers and the environment — not only does it save farmers money by repurposing and extending the lifecycle of their existing equipment, but it reduces our use of precious resources and raw materials in manufacturing.

### Remanufacturing

The reuse of manufactured items is a cornerstone of sustainability. AGCO has been active in helping to move farms toward a circular economy through one of the industry’s best-established remanufactured product lines, AGCO Reman. Remanufacturing promotes resource-preserving practices, with energy, emissions, and waste savings of approximately 85 percent over manufacturing new components, even as it brings strong value to farmers.

Across our brands, many of the other major components in our tractors, from electronics to engines to hydraulics, are available as remanufactured items with warranties. AGCO is expanding its AGCO Reman offerings, targeting 150 percent of 2020 baseline revenue by 2025.

In 2021, we increased  
our AGCO  
**Reman revenue  
by 11%**

### Extending equipment life

Precision Planting’s line of technologies is designed to optimize all parts of the planting process and can be retrofitted onto existing equipment, maximizing performance and extending and enhancing the useful life of equipment. This allows farmers to upgrade the technology on their equipment without replacing the entire machine. Getting more use out of equipment saves the materials and energy involved in manufacturing and shipping new replacements.



## FENDT TOPS THE INDUSTRY IN FUEL-EFFICIENCY RANKINGS

Reducing fuel consumption begins with the tractor itself. Fendt high-horsepower tractors (900 and 1000 series) have the lowest fuel consumption in their class according to the DLG-Powermix.



## DECARBONIZING OUR OPERATIONS

Last year we set five-year goals for achieving highly sustainable manufacturing operations, compared to a 2020 baseline. We set targets to:

- ✦ Reduce our emissions intensity by 20%
- ✦ Reach 60% renewable energy across our global manufacturing operations

We remain committed to meeting those targets and are taking a wide range of steps to do so. For example, we are working to increase the use of renewable electricity through regional and market-specific opportunities, such as green supply contracts and unbundled energy attribute certificate procurement. We have on-site solar photovoltaic systems at a number of AGCO sites, and are adding them to others. We are increasing biodiesel use in on-site vehicles and processes, applying energy and heat recovery technologies, and using biomass-based heating solutions, among other efforts.

At the same time, we're reducing energy demands at our plants through smart manufacturing approaches that boost the efficiency of everything from lighting and heating to manufacturing equipment and processes. We also look for ways to advance reusability in our plants and in our products.

◀ A Massey Ferguson MF 6713S on the assembly line at our manufacturing facility in Beauvais, France.

## Improving energy efficiency through energy savings tools

We've also developed a set of "quick energy savings tools" called QUEST to help manage our energy conservation and energy waste reduction efforts. QUEST provides a 21-step process for identifying, analyzing, planning, managing, executing and tracking energy efficiency projects. The QUEST initiative being rolled out to our facilities outlines the basic steps required to build a solid foundation for sustainable operations. For instance, as a first step, we recommend facilities establish "Green Leaders," who are familiar with day-to-day operations and will be responsible for tracking and understanding current resource use and costs, assessing current resource use efficiency, and identifying conservation opportunities and estimate costs and savings for potential new projects. We also provide a suite of tools that facilities can use for analysis, and how-to instructions for identifying resource conservation opportunities, as well as guidance on how to set goals for their facility.

## 2021 ENERGY AND EMISSIONS PROGRESS

13%

reduction in GHG emission intensity

(\*Scope 1 and 2 manufacturing sites)

8%

reduction in energy intensity

(\*manufacturing sites)

52%

renewable electricity use

(\*manufacturing sites)

32%

renewable energy use

(\*manufacturing sites)

12

manufacturing sites running on 100% renewable electricity

**MANAGING OUR SUPPLY CHAIN RESPONSIBLY**

Supply chain improvements are another way we're decarbonizing and advancing the sustainability of our operations. We've integrated sustainability into the way we do business in purchasing, as part of our recognition that managing sustainability isn't taking an extra step by one or two individuals, but rather must be incorporated into normal day-to-day business processes. The supply chain disruptions around the world that arose during the pandemic added new and urgent reasons to reexamine existing supply processes. The supply chain adjustments we've been making to improve sustainability also tend to improve supply chain resilience, addressing both challenges at once.



◀ The AGCO Supply Chain Team work relentlessly to ensure the supply of key components in order to be able to deliver best-in-class machinery for our farmers.

In November 2021, the German Association for Materials Management, Purchasing & Logistics presented AGCO with its annual innovation award in recognition of our Smart Supply initiative.

AGCO has been intensifying its Smart Supply initiative to improve supply chain sustainability, resilience and agility, deriving benefits for the environment, for farmers, for our dealers and for our business. We've found several ways to do so, including:

**+ Supporting local suppliers.** By taking advantage of human capital and resources closer to our manufacturing facilities around the world, we can cut down on the carbon footprint, costs, time delays, and disruption vulnerability of long-distance transportation of parts. In Brazil, for instance, we've teamed up with partners to attract investors to build tire production facilities that take advantage of local raw rubber and worked with three local suppliers to help them manufacture the large, complex castings that previously came from China. Working with local suppliers also provides social benefits to nearby communities.

**+ Partnering with suppliers on sustainability.** We're working more closely with suppliers to assess and advance our joint sustainability efforts, including the use of local resources, through sustainability audits and expertise sharing. We're also finding ways to jointly raise the bar on aspects of component quality and design through our supplier idea generation initiative that has yielded hundreds of ideas impacting the efficiency, cost and environmental impact of our products, many of which are being actively implemented. To encourage innovation, we have an open channel of communication, and host events and ongoing workshops with our global supply base on the topic of sustainability. We've also established a supplier sustainability and resiliency awards program.

**+ Preparing for emergencies.** We've established cross-functional teams that can rapidly come together to address sudden and even catastrophic threats and disruptions to our supply chain. We carefully assessed the criticality of our suppliers and parts and potential causes of delays or price increases in different scenarios and instituted mitigation mechanisms. We also analyze a constant stream of data from more than 50 different sources for early warning of local or global problems such as supplier, environmental, labor, financial, and COVID-related risks that could impact the supply chain. We will continue to drive monitoring processes throughout the supply chain.

**+ Optimizing logistics.** AGCO Global Logistics is enlisting advanced modeling techniques to optimize transport and enhance end-to-end logistics visibility, reducing GHG emissions and environmental impact while cutting costs. The models use enhanced data to improve route planning and freight-container utilization, taking maximum advantage of different modes of transportation through a hub-based network.

**+ Alternative fuels for transport.** In Brazil, AGCO's manufacturing sites have successfully piloted the use of electric and biomethane fueled trucks for in-bound and outbound logistics, with a full roll-out scheduled for early 2022.

**+ Reducing packaging waste.** To further reduce GHG emissions as well as costs, we are employing returnable packaging, alternative packaging materials, and packaging that saves freight space. We implemented several regional packaging pilot projects in 2021, with a strong pipeline of global projects slated for 2022.

These efforts, and others, have won AGCO recognition as a supply chain sustainability and resilience leader both inside and outside our industry.



**ADVANCING SUSTAINABILITY AT AGRITECH SUPPLY CHAIN SUMMIT**

At the 2021 Agritech Supply Chain Summit exhibition, AGCO in partnership with the Berlin Institute of Supply Chain Management held an acclaimed two-day sustainability forum that brought together supply chain professionals from the agriculture, automotive and airline industries, among others. The event produced a published thought leadership book exploring ways of advancing sustainability across the entire agricultural value chain, including contributions from AGCO.



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# Our Farmers

AGCO is entirely focused on helping the world’s farmers thrive. Our Farmer-First commitment starts with the belief that AGCO will succeed if farmers succeed.

**E**nsuring farmers’ success in a constantly changing agricultural landscape requires innovation, and we’re committed to being an innovation leader in sustainable agriculture. We support farmers through the entire crop cycle with products and services that promote efficient, profitable food production in ways that minimize impact on the environment and promote soil health.

**PICTURE CAPTION**

A farmer in Kansas, USA getting ready for the working day ahead.

## Innovating for sustainable, productive farms

Farmers have always worked hard, but farming success is equally about working smarter. AGCO has evolved to remain at the leading edge of smart farming, with high-quality, high-value solutions that integrate digital innovation and new precision technologies into the work farmers do in the field, as well as post-field.

These solutions are designed to improve farmer productivity and help them protect their most valuable asset: their land. We understand that farming success isn't just about getting as much as possible out of the land. It's also about ensuring that the land will continue to sustainably produce year after year and into future generations.



## RESPONDING TO FARMERS' NEEDS TO IMPROVE PRODUCTIVITY, PROFIT AND SUSTAINABILITY

Meeting farmers' needs starts by understanding what they do, what they want and what they need. Our teams talk to farmers every day, and our senior team conducts quarterly farmer panels to stay connected to farmers' interests and concerns. In 2021, we established a new global customer experience function headed by a Senior Vice President of Customer Experience to regularly engage farmers through various channels.

We observed the following key trends in 2021, and we've been innovating accordingly across our brands to help farmers be more sustainable, profitable and productive.

**+ Soil health.** We've driven soil health considerations into many of our product lines, through precision tools that support no-till, cover crop planting, controlled traffic farming, reduced-compaction, residue management, and other soil-promoting techniques. For example, Massey Ferguson's MF Connect, MF Section Control and MF Guidance tools add intelligence to equipment to reduce soil compaction by cutting the number of passes needed in the field.

**+ The environment.** We've made it easier for farmers to move toward GHG emissions reduction through tractors with lower fuel consumption and emissions, solutions that help reduce chemical inputs while retaining yields, and tools that support soil health.

**+ Labor shortages.** With farmers facing more skilled-help shortages, we've been adding intelligent tools, machine automation features and enhanced ergonomics to help farmers do and achieve more with fewer people — while enhancing user safety and comfort.

**+ Value.** We've been broadening our lines of precision agriculture solutions and improving the capabilities they provide to ensure that we offer each farm a cost-effective solution that supports its bottom line.

**+ Easier interaction.** The pandemic accelerated interest in more online engagement and digital options to gather information and buy equipment and services from AGCO and its dealers. We enhanced our tools to provide more digital customer experiences including virtual showrooms, online product launches and e-commerce.

**+ Animal welfare.** We've stayed at the forefront when it comes to developing products and technology that improve animal welfare. Our solutions leverage precision technology and lifecycle monitoring data to drive innovation for animal-based food production by promoting care, nutrition, health and welfare of farm animals.

**+ Tailored sustainability solutions.** We offer some of the most customizable tractors in the industry, and have worked to ensure we can configure our products to help farmers dial in the exact solution they need.





## Precision agriculture solutions

Adding precision and intelligence to equipment for planting and other crop cycle stages is one of the most cost-effective strategies for promoting soil health and enhancing carbon sequestration, while reducing inputs and improving production. AGCO has established itself as a pioneer in precision agriculture. Now we're moving to advance and expand our offerings to make it easier for more farmers to advance to more sustainable, profitable precision practices.

### SEEING INTO THE SOIL

**Precision Planting** is widely acknowledged as a global leader in precision agriculture equipment. Precision Planting technologies address all elements of the planting cycle with products that optimize soil preparation, seed placement, fertilization and weeding. Among Precision Planting's offerings are the Reveal row cleaner, the SmartFirmer soil sensor and the FurrowForce soil closing system. The results include minimum soil disturbance and maximum germination, while optimizing seed and fertilizer rates. Farmers can monitor soil conditions in real time, including levels of carbon, organic matter, and moisture, and integrate satellite data and advanced soil modeling tools to make ideal planting decisions.

Precision Planting technology can be built into many of AGCO's planters, such as Fendt's MOMENTUM planter. The technology is also available as a retrofit, not only to AGCO planters, but also to many of the planters available from other manufacturers. A precision technology retrofit typically runs about one-twentieth the cost of a new planter and extends the life of an existing planter by about two years. That's one reason sales of Precision Planting equipment are expanding beyond North America, particularly into Europe and South America.

< A Dutch potato farmer ensuring optimal growing conditions by checking soil moisture levels.



### CONCEAL PRECISION FERTILIZING TECHNOLOGY

Conceal is integrated into the planter to insert nitrogen exactly where it's needed in relation to the seeds, right at the time of planting. That intelligent, customized feeding reduces fertilizer usage by up to 30% while improving yield.



# Solutions Spanning the Crop Cycle

At AGCO, we offer farmers innovative products and solutions that reduce negative environmental impacts and conserve resources across the entire crop cycle from seed to storage.



## SEED PROCESSING & TREATING

**+ Cimbria Bamboo Chain Conveyor**  
Utilizes sustainable raw materials to replace PE-HD plastic plates with bamboo that maximizes wear resistance, smooths operation and lowers noise for a better workplace environment.



## PLANNING

**+ AGCO Connect**  
Mixed fleet uptime optimizing telemetry tool with remote and near real time monitoring. Enables farmers to maximize equipment uptime through predictive maintenance and identify inefficiencies to minimize idle time resulting in reduce fuel costs and emissions.



## FIELD PREPARATION, PLANTING

**+ MF VE Planter**  
The planter line offers solutions for all types of tillage, and variable-rate, high-speed planting and individual row control. The new Heads Up® row unit can further increase the life of the planter, improves seed placement accuracy and allows growers to customize their planters more easily with the latest Precision Planting® technology.



## FERTILIZER SYSTEMS

**+ Conceal, FurrowJet, vApplyHD**  
Precision Planting offers a product suite to apply fertilizer right where the crop needs it — reducing runoff and improving uptake of the fertilizer by the growing crops.



## APPLICATION

**+ Valtra Section Control**  
Eliminates overlaps resulting in up to 5-10% reduction in fertilizer application. Automatically turns off sections of the sprayer boom as needed to minimize potential drift of application and reduce chemical waste.



## HARVESTING

**+ Fendt Ideal Combine Harvester**  
Exceptional system performance that maximizes combine footprint and reduces soil compaction. Effectively manages residue to ensure even coverage for better incorporation and soil health. Enhanced cleaning system to manage material flow and minimize grain losses and damage.



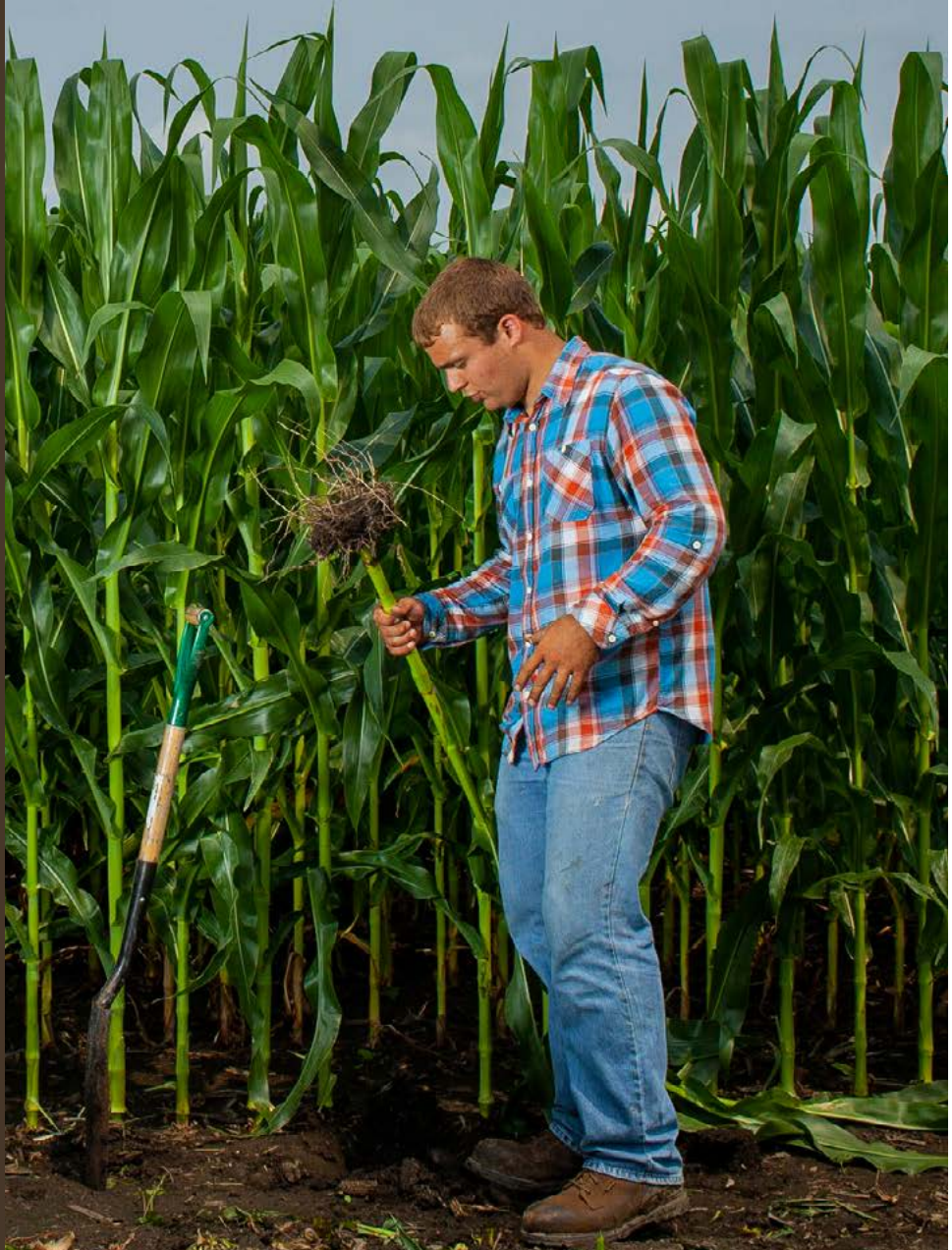
## STORAGE, DRYING, MATERIAL HANDLING

**+ GSI EVO 50 Grain Bin**  
Engineered to keep the elements outside. Advanced sealing system keeps water out so customers can earn more from what's inside and minimize post-harvest loss.



## PROTEIN PRODUCTION SYSTEMS

**+ SCOUT**  
Grain & Protein offers an innovative ceiling-suspended robot system to continuously monitor broiler chickens and their environment, to improve their welfare as well as the farmers' productivity.





**SMARTER, INTERCONNECTED EQUIPMENT**

The ability to gather, analyze and leverage data is quickly becoming a major differentiator of farming sustainability and profitability. There are hundreds of variables that can be measured in the soil, in the environment, on the plants and on the equipment itself — and that information can be integrated with real-time satellite, weather and market data, and historical local crop information. Much of it can be utilized to make better farming decisions to improve sustainability and output, and reduce costs. Increasingly, some of those decisions can be made automatically, in real time. That’s why 80 percent of the AGCO production agriculture fleet retailed in 2021 is already connected.

AGCO is incorporating more sophisticated sensors, technologies

and cameras into its products focused on communication, monitoring, sensing, tracking and controlling devices and systems. Recent acquisitions include Appareo Systems, LLC, a leader in software engineering, hardware development and electronic manufacturing, and Creative Sites Media, Inc, a leading software and app development company. In addition, we are investing in innovative solutions providers such as Apex AI, a software provider for mobility and driverless solutions, and Greeneye Technology, an emerging leader in precision spraying technology. These investments have the potential to turn our brand portfolio of on-farm products into an active information network aimed at optimizing operations. These networks are also edging farms closer to capabilities for semi-autonomous operations, which will become critical to farmers facing the predicted worsening farm labor shortages.

80%  
of the AGCO production agriculture fleet retailed in 2021 is connected

30,000+  
machines connected,  
145% increase in our global connected fleet in 2021

AGCO Connect improves machine up-time and optimizes fleet management. North American GSI and Massey Ferguson customer.

**FENDT SMART FARMING SOLUTIONS**

Fendt offers industry-leading high take rates through solutions such as Vario Guide, Section Control and Variable Rate for Fendt tractors.

**DATA INTEGRATION THROUGH FUSE®**

One of our major initiatives to build intelligence into farming tools is Fuse®, which includes a pioneering suite of software and communications protocols that enable tying sensor and other data into a single network. Not only does Fuse® allow for integration of data coming in from sensors on our equipment, but it’s a global open protocol that can link in data from any company’s Fuse®-compatible sensors. As farmers assemble multiple pieces of Fuse®-enabled equipment, they can build integrated sensor networks that monitor how the equipment is functioning as well as crop and field conditions, all the way through harvesting and grain storage.

**MANAGING FARM OPERATIONS WITH FendtONE**

Changing climate, legal requirements and labor shortages are just some of the challenges for farmers worldwide. As equipment becomes more intelligent, a new opportunity to support farmers is emerging: enabling decision-makers in farm offices to monitor, analyze and even manage operations in the field, as

data streaming in from the field informs their view in real time.

Planned for launch in 2022, FendtONE offers farmers a user-friendly interface, suitable for all types of farms with an end-to-end approach and a seamless on- and off-board experience, with a consistent interface for both the tractor and the office.

FendtONE provides the office with software tools for planning and organizing farm work processes, along with a clear, comprehensive view of how those processes are unfolding across the farm — some of it based on data streaming wirelessly from the field. As conditions change, and on-board diagnostics provide insights into equipment performance, managers can adjust the equipment and processes in real time to optimize the workflow and correct for any problems. Others in the office, around the farm and even on board the equipment can share the FendtONE view and take part in managing the work.

The added insight, control and automated operation that come from our Fuse®, FendtONE and other data-intelligence efforts provide real benefits. As farmers combine the agronomic and machine data now at their fingertips with their own judgment and experience, they can see how to achieve new levels of sustainability and efficiency in every element of the agricultural value chain.



**REDUCING PASSES, IMPROVING SOIL HEALTH**

AGCO’s smart, precision equipment reduces soil erosion and nutrient and pesticide runoff. They also cut down on the number of passes in the field, saving time and fuel, and in many cases reducing soil compaction. By more precisely applying nutrients and crop protection products, AGCO technologies maintain or increase crop yields. And these technologies also allow reducing tillage to preserve organic matter in the soil.



◀ The Precision Planting team confirms the planter has optimally placed seeds during a demonstration.



## Addressing environmental and social impacts of our products

Farming is deeply entwined with the environment, and impacts billions of lives even beyond feeding the world. As an agricultural industry leader, we feel a deep responsibility to help farmers maximize the environmental and social good they contribute to society and the world, and to minimize potential harms.

### ADVANCING SOIL HEALTH

Healthy soil rich in organic matter and nutrients, and protected from erosion, is critical for high-yield farming. Healthy soil also happens to be a vault for carbon dioxide (CO<sub>2</sub>), the main GHG whose increasing presence in the atmosphere is driving climate change. The earth's soil contains more CO<sub>2</sub> than do all the world's trees and the atmosphere combined.

### Promoting no-till farming

Conventional tillage practices tend to release CO<sub>2</sub> into the atmosphere, contributing to climate change. Tillage also removes valuable organic matter and makes soil more vulnerable to erosion. But farmers can alter their practices to reduce disturbing the CO<sub>2</sub> locked in soil. At AGCO we are researching tillage systems and cover crops to find a balance between CO<sub>2</sub> sequestration, productivity and profitability. We're currently running trials in Iowa, Denmark, Switzerland, Zambia and Brazil.

AGCO has been a strong advocate for sustainable soil management practices such as no-till farming, offering farmers a range of tools that maximize CO<sub>2</sub> sequestration and minimize disturbance of the soil during planting and fertilizing. We also enlist farmer outreach, demonstration and education programs to encourage and support farmers in cover cropping to improve retention of soil organic-matter carbon, nitrogen and nutrients into the soil between cash crops.

We promote the right equipment and technology options to help farmers be successful in various cropping systems including no-till. AGCO offers a full line of no-till seed drills and planters via our Sunflower, Massey Ferguson, Fendt, and Valtra brands. In South America, we conducted trials with different planter options to educate farmers on how best to manage heavy residue in no-till cropping systems. Our work included looking at the benefits of seed bed preparation, including shanks versus disk coulters, for applying fertilizer and various combinations of residue management.

## FACILITATING NO-TILL FARMING

➤ **Reveal row cleaner** slices neatly through crop residue to prepare the soil for no-till planting.

➤ **Momentum planter** inserts seeds neatly into the ground without the need for wide furrows. To further protect the soil, the Momentum planter has a weight-distributing system that reduces the sort of soil compaction that can restrict root growth.

➤ **SmartFirmer** sensor-equipped tool provides real-time data on soil conditions that can be integrated into onboard monitoring systems as part of a bigger picture of a farm's operations, making it easier to optimize planting and monitor soil health.



## FUTURE FARM RESEARCH AND DEVELOPMENT

AGCO is committed to continuous innovation in high-productivity, sustainable farming. That means our focus on delivering the tools that farmers need now doesn't keep us from investing in developing the tools that they will need tomorrow. We maintain a robust research and development (R&D) program that works closely with farmers to actively determine what the future of sustainable farming will look like. And we are building the prototype farms and products that will help make it a reality.

### OUR ADVANCED RESEARCH AND DEVELOPMENT INVESTMENT PRIORITIES

Connectivity  
Automation  
Robotics  
Electrification  
Future fuels

◀ A farming family from Ohio, USA with their Massey Ferguson 7S.

## FUTURE FARMS AND PRECISION TECHNOLOGY INSTITUTE

Much of that effort takes place in our dedicated research and demonstration facilities, the Precision Technology Institute (PTI) in Pontiac, Illinois, and at our Future Farms in Switzerland and Zambia. In consultation with farmers, our global agronomists and research teams demonstrate novel practices and technologies aimed at meeting the goals and solving the problems that are most on farmers' minds.

Increasingly, the emphasis at Swiss Future Farm and PTI is on finding new and more effective ways to fold sustainable practices into high-yield, profitable farming. Among the numerous research trials we run annually, many are focused on exploring the most effective and efficient approaches to cover crops, reducing inputs, minimizing tillage and soil compaction, eliminating waste and shrinking energy consumption — all without compromising, and in many cases improving, yields and profitability.

### Educating farmers globally

One important aspect of our Future Farms is to inform and inspire farmers when it comes to adopting new, more sustainable techniques. Reading about a novel approach is one thing, but seeing it working well in actual practice is another. To that end, we welcome farmers throughout the year to PTI, our Future Farms, or our crop tours, where they can see the impact of different farm practices and attend conferences and education sessions.

To broaden the accessibility and applicability of our research and demonstration efforts, we also operate a Future Farm facility in Zambia, with the aim to empower farmers across Africa by providing knowledge and training on the application of modern agricultural equipment alongside the latest agronomy practices.

To reach even more farmers, we set up demonstration plots at other locations in North America and around the world as part of our annual Global Crop Tour program, and hold our annual Precision Planting Winter Conference, comprising a series of events, at multiple locations globally.

### ADVANCING AUTONOMOUS FARMING

One of our most forward-looking and potentially impactful, R&D efforts is our autonomous farming project, Xaver®. In 2021, we successfully tested the autonomous prototype Xaver® robots capable of planting corn at our Swiss Future Farm.

Xaver® represents an enormous leap in sustainability, using only a tenth of the energy of conventional farm equipment to perform the same task, and substantially reducing the emissions and soil compaction associated with that task. A single farmer can operate the system through a phone app linked to FendtONE software.



## PTI: FROM WATER RECYCLING TO RESIDUE MANAGEMENT

We are continually finding new ways at PTI to push the boundaries of productive sustainability. Our ongoing video series, **InsidePTI**, takes farmers through a wide range of field trials of innovative practices and technologies, including residue management, reduced nitrogen inputs and strip tilling, among many others. One example of a PTI sustainability project: we've demonstrated a drainage system that gathers the excess water from 200 acres of farm into a reservoir that holds a two-week supply of recyclable water. By using that water for drip irrigation during drier weather, the system is increasing the yield of the surrounding test plots by about 20 percent.



## ANIMAL WELFARE IN FOOD PRODUCTION

As farmers look for ways to productively raise more animals to meet rising global demands for animal protein, they also want to ensure that they are raising healthy animals and doing more to protect animal welfare. AGCO strongly supports farmers in this effort through innovative products that guard animal health and welfare in high-productivity environments, and through active participation in efforts to advance industry standards and academic research.

### UNIVERSITY OF GEORGIA PARTNERSHIP

One of our newest research partnerships is with the University of Georgia, where AGCO is working on smart sensors that provide information on bird feed, water and environmental control in poultry houses. The UGA partnership was established in 2021 and will begin research in 2022.

### AGCO GRAIN & PROTEIN SUPPORTS ANIMAL WELFARE

We offer a range of products that help farmers monitor, control and accurately report environmental conditions around animals, facilitating practices that reduce stress, discomfort and disease, and promote good nutrition and normal animal behavior.

✦ **Tecno**® Poultry Equipment designs and builds systems aimed at protecting animal welfare for layer farms from the first day of life throughout the whole production cycle. Tecno's latest automated and computerized watering, feeding, egg collection, environmental control and cleaning systems meet the strict requirements of European cage-free egg production, giving layers ease of movement inside the aviary and allowing the animal better access to the feeding, watering and laying areas.

✦ **Cumberland**® provides an evaporative cooling system that helps keep birds comfortable and reduces stress during warmer months.

✦ **AP**® (Automated Production Systems) reduces airborne infection in swine with pathogen filtration systems, and also reduces stress and injury during feeding with electronic feed systems designed to protect animals from aggressive behavior.

✦ **SCOUT** is one of the most advanced animal welfare tools in the poultry industry and was acquired by AGCO from Faromatics in September 2021. SCOUT is a ceiling-suspended robot that monitors broiler chickens and helps farmers improve animal welfare. The robot moves through the barn measuring temperature, air quality, light and noise, enlisting artificial intelligence to spot potential health, welfare and other problems.

✦ **EDGE**® is a single platform that includes sensor technologies and monitoring software that provides a complete control system for tracking and managing animals' environment. EDGE® enables farmers to spot and correct problems in real time, so animals remain safe and comfortable. This solution yields data that producers can use to provide the transparency about animal health and welfare that more regulators and consumers are demanding.

### AGCO ANIMAL HEALTH & WELFARE GUIDING PRINCIPLES

The foundation of our approach to animal welfare is outlined in our **Animal Health & Welfare Guiding Principles**, which addresses nutrition, environment, health, behavior, and the mental and emotional state of the animal. These Principles, developed with the input of our animal welfare advisory panel, detail the focus of Grain & Protein brands on supporting animal welfare globally.



### AGCO ANIMAL WELFARE ADVISORY PANEL

In 2021, as part of our industry outreach efforts, we established an animal welfare advisory panel of experts that meets at least twice a year. We work with the panel to determine what sort of product solutions will best contribute to productive, profitable animal-raising operations that prioritize health and welfare.

Panelists share their expertise and insight, bring diverse perspectives to AGCO and provide independent advice in support of AGCO's animal welfare strategy, as well as providing an independent review and advisory function to the company on animal welfare issues. The panel is made up of an extraordinary list of external participants. From end customers, to producers, to retail to academia, we have a great blend to enable us to collectively advance the important issue of animal welfare globally. We also collaborate with academic partners to research ways to optimize animals' environments and improve industry practices.

## BROADENING OUR REACH

### AGCO FINANCE

Finance has an important role in enabling more sustainable farming practices. Transforming farming and building resilience will not be possible without significantly increasing the amount of capital available for climate-smart investments in agriculture. AGCO Finance is discovering ways to support farmers as they transition to low-carbon farming, advance soil health and promote carbon sequestration. In many cases, AGCO Finance can offer unique financing packages that help farmers invest in our equipment, technology and solutions, providing them with access to newer, cleaner approaches that better protect the environment while improving productivity and profits.

In 2021, AGCO Finance established a Climate Journey Fund, an annual financing program of €50 million to support more sustainable farming practices by offering attractive financing conditions. As part of its Climate Journey campaign, AGCO Finance also developed a **thought leadership series** highlighting the role precision agriculture and carbon farming can play in helping farmers **transition to more sustainable business practices.**

### MEETING SMALL FARMS' NEEDS

Smaller farmers in emerging markets often haven't had the luxury of focusing on sustainable farming because of challenges in achieving basic food security and accessing suitable technologies. AGCO is an active partner in supporting local public and private initiatives in the key markets where we operate to enable profitable and sustainable agriculture.

In Brazil, AGCO is partnering on an initiative called Prospera to help smallholder farmers diversify crops and become more resilient and profitable. The initiative, in which AGCO is collaborating alongside a consortium of corporate partners and the Brazilian state bank Banco do Brasil, aims to improve the livelihoods of family farmers in the northeast of Brazil by introducing hardy strains of corn and sustainable methods of production and mechanization. Prospera's goal is to reach approximately 50,000 farmers over the next five years through a mix of in-person events and digital resources.

ConectarAGRO, a private sector association of which AGCO is a founding partner, has reached **600,000** people on nearly 15 million acres of rural land.

### BRIDGING THE DIGITAL DIVIDE

Also in Brazil, AGCO is a founding partner of ConectarAGRO, a private sector association, to bring connectivity to remote rural areas. It promotes and enables access to 4G networks across the country. Even today, more than 70 percent of rural properties in Brazil do not have access to the internet, which can hamper the adoption of precision agriculture and agricultural productivity. So far, the project has reached 600,000 people on nearly 15 million acres of rural land. It supports both smallholder and commercial farmers operating in this region, who will benefit from improved connectivity and connected machines.

### MAXIMUM CUSTOMIZABILITY

Valtra tractors are also facilitating a step up in sustainability for many customers, but for a different reason: their unique customizability. Through **Valtra's Unlimited studio**, customers can configure tractors that provide multiple solutions beyond farming, including snow removal, construction, road maintenance, firefighting, and a variety of towing applications. In many cases, a single Valtra tractor can replace two or even three vehicles, representing a significant savings not only in cost, but in materials and energy.

### POST-FIELD PRODUCTS

AGCO extends farming efficiency and output beyond the harvest with innovative solutions to help minimize post-harvest losses. Our GSI® business provides smart systems for handling, storing and monitoring grains. And our Cimbria business designs and manufactures conveying, drying, processing, optical sorting and storage solutions for grains and seeds, available as individual processes or complete turnkey projects.



## Product and service quality and safety

Farmers push their equipment hard. Tractors can run as many as 18 hours a day, most of it while operating at 80 percent of their maximum horsepower. Farmers won't buy equipment for sustainability-promoting features if they can't trust it to provide the quality and safety they depend on throughout a range of intense operations under tight schedules. This is especially true during those crucial weeks in the spring and fall when even a few hours of downtime can impact profits.

### DEDICATED TO CONTINUOUS IMPROVEMENT

AGCO understands that sustainability leadership has to go hand in hand with product quality and safety leadership. We build quality into our designs, and products such as our CVTs are renowned in the industry for their performance and reliability. We also make quality the top priority through our manufacturing process. The products we sell meet exceptionally rigorous standards and face stringent testing and inspection, and we are committed to continuous improvement. We also perform regular quality audits of suppliers to ensure that our parts and materials meet those high standards.

### ENSURING FARMER SAFETY

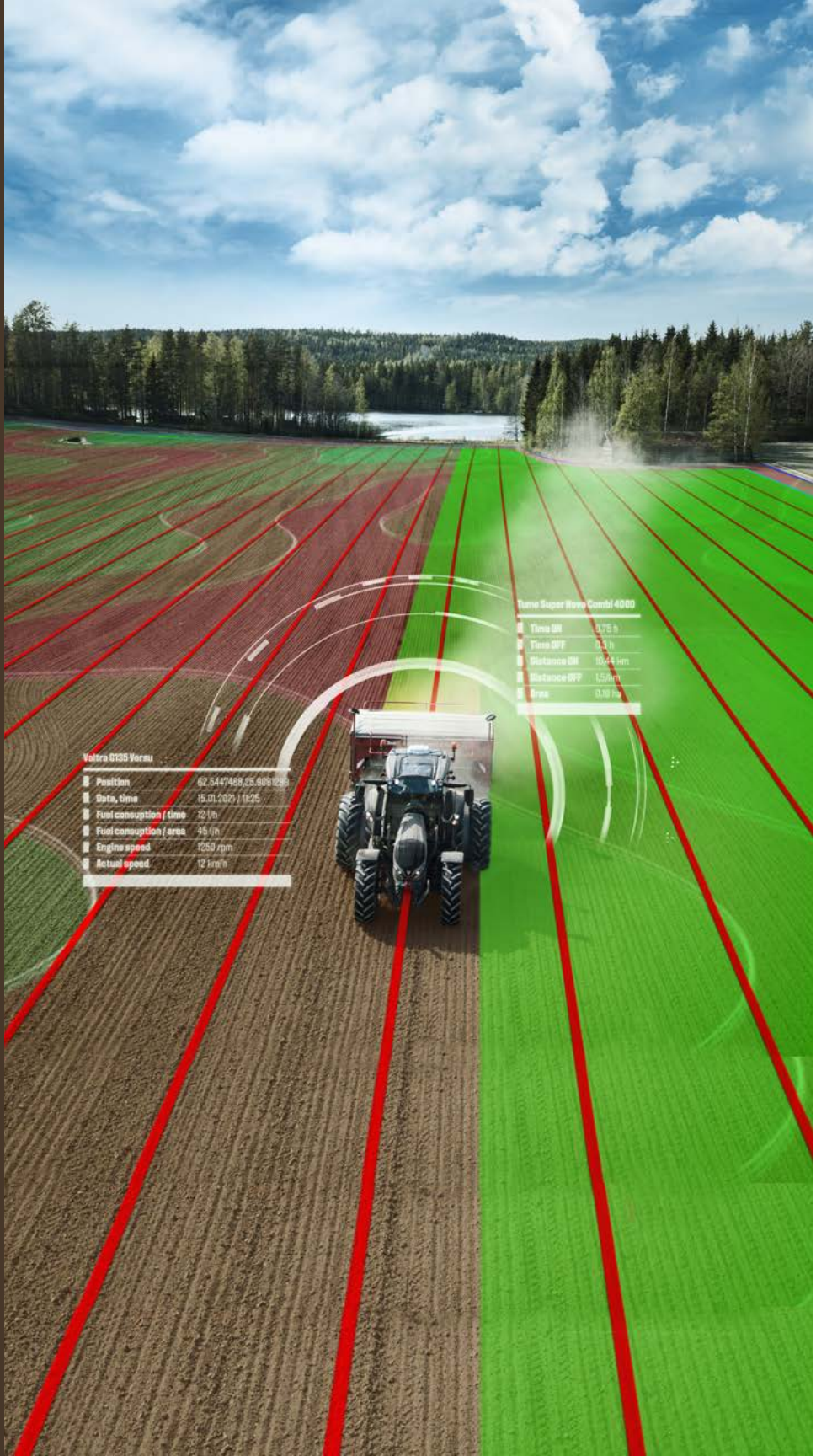
The safety and well-being of the farmers who operate our products are of greatest importance. Exposure to noise, dust and agricultural chemicals is common around tractors, so we provide some of the industry's most effective soundproofing and cabin-air filtration. Our seats, interactive dashboards, electronic-joystick steering, and suspensions are rigorously engineered to minimize operator stress during long days in the field, and to keep farmers comfortably alert throughout the tasks at hand to avoid mistakes that could damage crops or necessitate time- and energy-wasting extra passes. We also ensure we meet strict international safety standards, as well as applicable local standards across global markets.



### ENSURING ENGINE RELIABILITY THROUGH CLEANER AIR

A simple example of the extra care we take to protect farmers from equipment failure: instead of counting on regular cleaning and replacement to ensure the air filters on our tractor engines are keeping dirt and dust out of the engine, we've added powered dust extractors to the air filters on new Fendt tractors. That's a unique-in-industry feature that won AGCO a silver medal at the Agritechnica Innovation Awards.

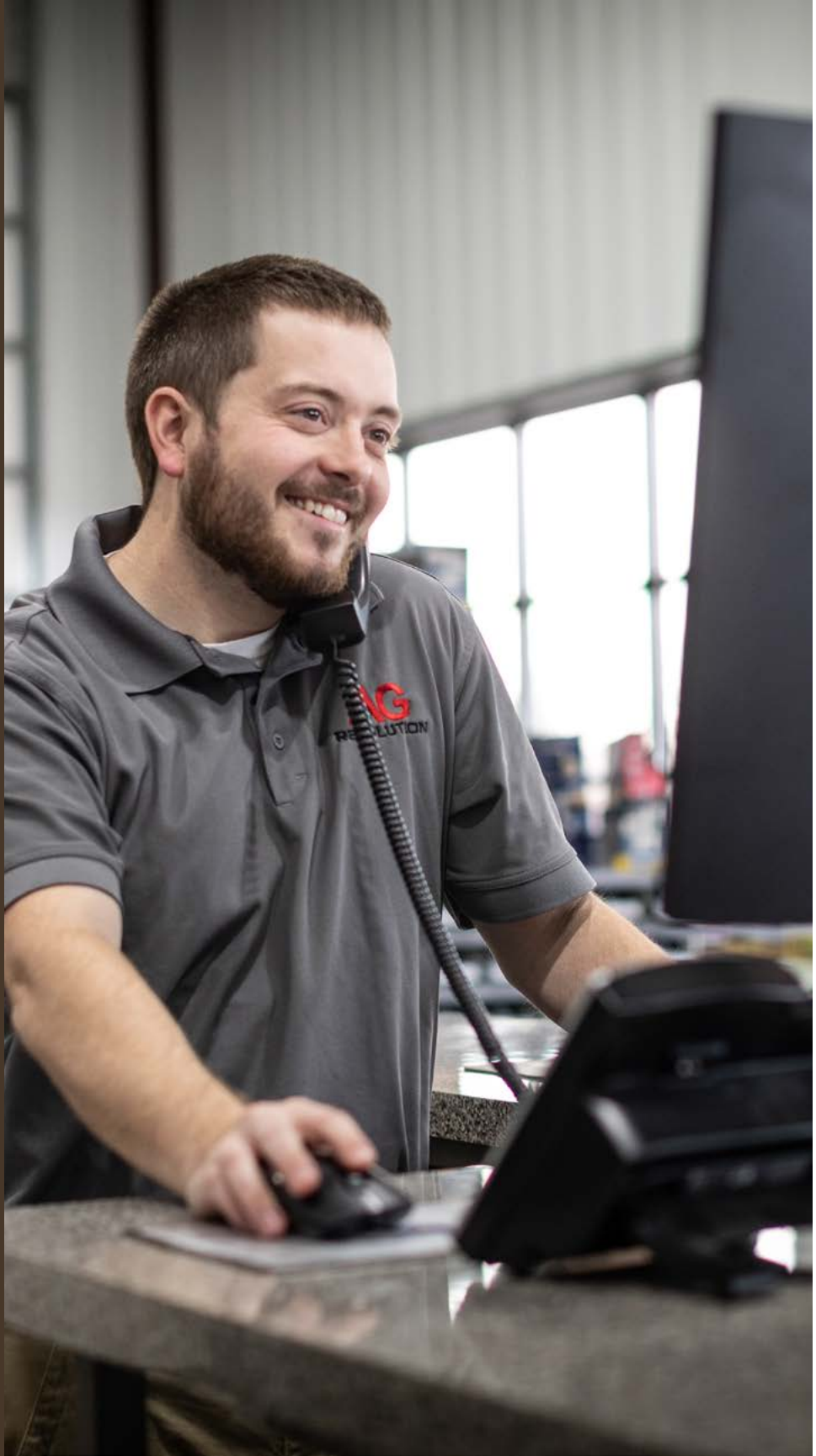
◀ AGCO continuously looks to provide growers with Precision Ag solutions within a safe and ergonomic environment.



Valtra G133 Verum	
Position	62.5447468, 25.6061236
Date, time	15.01.2023 / 11:25
Fuel consumption / time	32 l/h
Fuel consumption / area	95 l/ha
Engine speed	2250 rpm
Actual speed	12 km/h

Fendt Super Novo Combil 4000	
Time ON	3.75 h
Time OFF	0.3 h
Distance ON	10.24 km
Distance OFF	1.5 km
Area	0.38 ha





## Customer support

We're committed to providing customers with an outstanding experience from the time they first consider one of our products through years of heavy use. Increasingly, that means providing digital tools to give farmers the information and interactions they need to get the most out of their equipment.

In 2021, we launched PAL to ensure customers can get fast solutions to their precision agriculture questions and problems.

◀ AGCO prides itself on providing exceptional customer support, especially with Precision Ag technology needs.

### ON-BOARD DIAGNOSTICS AND DATA ANALYTICS SUPPORT

One way we're raising the bar on supporting our customers is by leveraging telemetry data on our connected machines to offer proactive support. By monitoring machine performance remotely, we can alert our dealer partners and customers to issues and irregularities with customer equipment, and provide relevant resolution and parts information. This proactive support enhances uptime and prevents more serious issues. We are continuing to advance our ability to provide predictive maintenance through remote analytics.

Also advancing customer support is AGCO's Precision Ag Line, or PAL. PAL is a network of virtual precision agriculture advisors with deep and broad industry knowledge serving customers on behalf of our dealer partners by phone, text and video calls. Launched in 2021 after successful pilots, PAL is ensuring customers can get fast solutions to their precision agriculture questions and problems.

Making it easier and more cost-effective to own, operate, and maintain our equipment in these ways brings more farmers to the sustainability advantages we offer, and ensures their operations will derive maximum benefit from them.



## Customer engagement

We are increasingly interacting with customers digitally. The pandemic accelerated what had been a gradual trend to move many interactions online, and there's little sign that customers are interested in reversing that leap. The more online tools and channels we've rolled out for customers, the more they seem to appreciate digital engagement. In response, we've continued to invest heavily in our award-winning Digital Customer Experience initiative, providing customers with a complete digital journey from the time they first start to look at our products, through product exploration and configuration, and on through acquisition, deployment and support.

One outcome of this broader range of enhanced online interactions is that we are engaging customers more often, and more deeply. The results are proving

invaluable to our ability to stay in touch with customers, and for our ongoing quest to learn more about who our customers are, and what they need and want. That expanded insight feeds back into our ability to develop new generations of products that anticipate evolving demands and solve more customer problems.

AGCO also hosts virtual showrooms and events to bring together farmers with our products and services. One example is the Massey Ferguson Born to Farm digital event in 2021, where we unveiled seven new smart machines and Born to Farm digital services. These machines and services, as with all our offerings, were designed with and for farmers, based to a large extent on the many intensive "Voice of Customer" sessions we hold with farmers.

# Our People

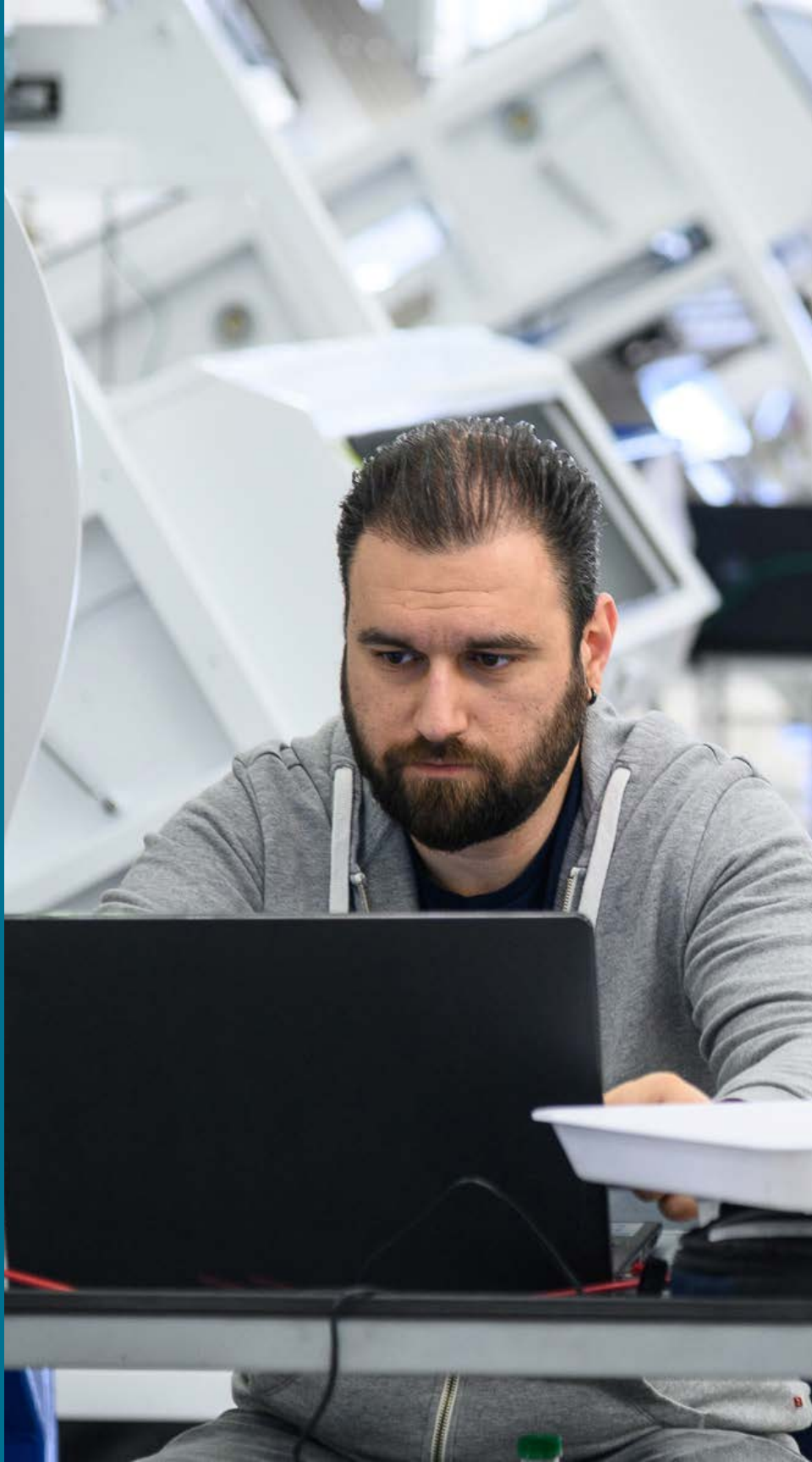
AGCO employees are united by our shared commitment to helping farmers sustainably feed our world. We are proud of the value we deliver to farmers, to our partners, and to one another.

**W**e have fostered a culture centered around a simple, clear purpose: farmer-focused solutions to sustainably feed our world. Our goal is for every AGCO employee to feel connected to that purpose, as well as to each other, and to act in accordance with our Core Values of transparency, respect, accountability, integrity, and team spirit. We strive to create an exceptional employee experience that is rewarding, meaningful, supportive, and safe. We know that positive outcomes for our farmers, our partners and our stakeholders depend on our employees' contributions.

**PICTURE CAPTION**

AGCO employees on the assembly line at our Jackson facility in Minnesota, USA.





## A purpose-driven culture

To further foster our people-driven culture and our shared purpose, we've emphasized these six farmer-focused principles:

- + Place farmers at the center of everything we do
- + Unite as one AGCO team with a shared purpose
- + Build a diverse and inclusive team
- + Lead with a dedication to safety and quality
- + Adopt digital solutions to improve the way we work
- + Deliver results through disciplined execution

### PROMOTING AN OPEN FEEDBACK CULTURE

Maintaining that strong sense of purpose and team spirit requires strong lines of communication. Employees can exchange views and stay connected to company initiatives via:

- + InsideAGCO, our global employee intranet
- + Our Field, our mobile and desktop communication platform
- + Regular town hall meetings
- + AGCO University training

In addition, AGCO has a well-established employee performance management process that includes annual goal setting, mid-year reviews and annual appraisals to discuss performance and career progression. As part of this process, managers encourage employees to use the “request feedback” functionality within AGCO’s appraisal tool, and formal 360° reviews are also available to support employee development. Both employees and our people leaders play an active role in our performance management process, promoting a culture of accountability that fosters personal and career development.

### STRENGTHENING OUR GLOBAL EMPLOYEE LISTENING STRATEGY

We have leveraged a number of measures to seek and respond to employee feedback in recent years. In 2021, we added our first global employee engagement and experience survey to create a global, standardized approach and establish an engagement baseline.

We also conducted a number of pulse surveys throughout the year to listen and respond to employee feedback on a range of topics. These surveys are part of our global employee listening strategy that is designed to seek and respond to employee feedback at a number of key touchpoints in the employee lifecycle.

### EMPLOYEE RECOGNITION

We recognize our employees for who they are, what makes them unique, and the valuable contributions they make to our customers, their fellow employees and AGCO. In 2021, we introduced ACCELERATE, our new global peer-to-peer recognition program, designed to recognize employee efforts to put farmers first, model our corporate values, and lead with a dedication to safety, quality, and a diverse and inclusive workplace. More than 600 employees received ACCELERATE recognition from their colleagues in the program’s first year.

AGCO provides rewards that are market competitive and that reflect an employee’s performance in driving innovation and achieving operational excellence. Rewards include cash compensation, recognition programs, and a wide range of benefits, all tailored to the markets where our people are based. We also offer equity and bonuses as opportunities for our people to share in our overall success.



### GOAL

Engage global workforce in employee engagement and experience survey to establish an engagement baseline in 2021

### PROGRESS

In 2021, 62% of our non-production workforce participated in our employee engagement survey and an engagement baseline was established



## Investing in our people

### CONTINUOUS LEARNING AND DEVELOPMENT

We operate in an increasingly competitive landscape for recruiting and retaining talented employees. One way that we can successfully compete is to provide employees with numerous opportunities for advancing their skills, experience and knowledge. The results empower our employees to succeed.

### OUR WAY TO GROW

AGCO provides high-quality development opportunities for growth while supporting an innovative learning culture that drives competitive advantage. We believe that what you learn is as important as how you learn. Our Learning model, Our Way to Grow, is made up of three parts:



**+ Know it:** Formal learning that includes workshops, reading, and other structured content.



**+ Share it:** Sharing of best practices and knowledge with peers, and guidance through mentoring and coaching.



**+ Experience it:** Hands-on, on-the-job learning through projects and problem solving.

AGCO provides a collaborative environment with multiple pathways for learning and development.

Among some of the components of our learning and training programs:

**+ Immersive learning.** We partnered with SkillSoft in 2021 to pilot a new immersive learning platform designed to make learning easier, more accessible, and more effective. Providing access to online courses, videos, books and audio books, all available in multiple languages, the platform offers personalized role- and skills-based learning paths. About 900 of our employees participated in this pilot in 2021, with the program planned for expansion in 2022.

**+ Bite-size learning.** To further support our continuous learning approach, we also introduced in 2021 a monthly program of short learning units called Engage to Grow. Each monthly segment provides up to 90 minutes of learning on topics related to agriculture, leadership, and culture and diversity.

**+ Training to lead through change.** We provide training that specifically focuses on leading through change. We now infuse all levels of our leadership training with diversity, equity and inclusion knowledge and accountability. These programs are offered to aspiring managers, new people managers and executives alike.



Total training hours\* delivered to employees:

92,000

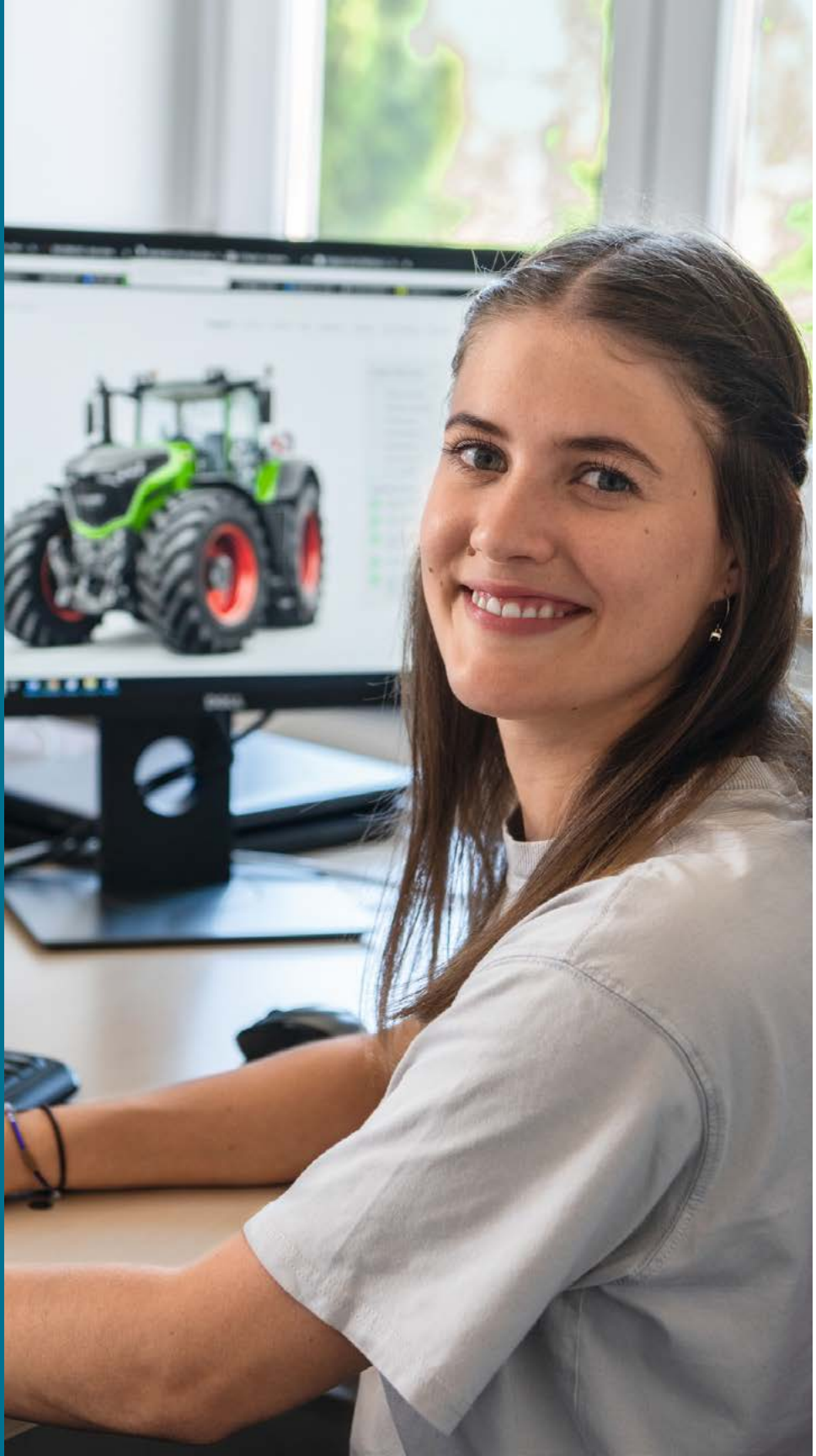
Instructor-led training hours\*:

19,000

AGCO University online learning platform training hours:

73,000

*\*Hours are approximate. Non-production workforce only.*



## Attract, develop, and retain an increasingly diverse and engaged workforce

As an organization whose workforce spans well over 30 countries around the world, AGCO inherently benefits from a certain level of diversity of culture, background and thought. We value our natural cross-border diversity and are engaging in significant work to achieve meaningful advances in the diversity of our workforce across all measures.

We are committed to fostering a culture of diversity, in its many forms, and to pursuing an inclusive, equitable workplace where our employees feel a sense of belonging, empowerment and value, regardless of sex, race, age, sexual orientation, ethnicity, disability, gender identity and gender expression, or social origin.

Progress in these essential areas helps drive the creativity and engagement of our workforce, and is essential to our ongoing success.

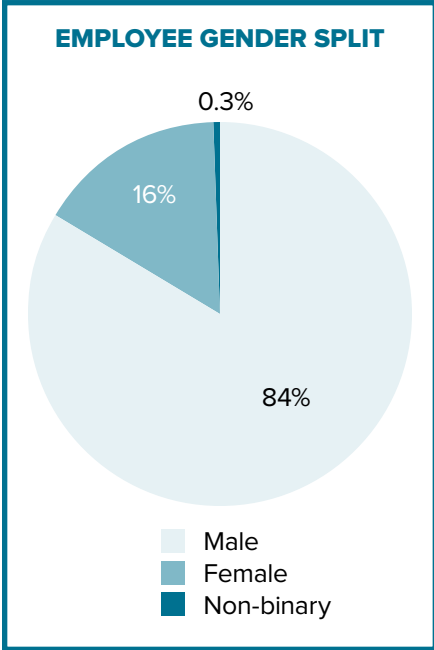
### OUR DIVERSITY AND INCLUSION GOALS

#### BRINGING DIVERSE MINDSETS AND EXPERIENCES TO ALL OF AGCO

Increasing diversity starts with increasing hiring among underrepresented groups. We've enlisted speciality recruiting sites to help us enhance the diversity of our pool of qualified candidates. And to reduce bias in the selection process, we've incorporated a Diverse Interview Panel protocol proven to improve diversity among those ultimately offered a position with AGCO.

To support inclusion within our increasingly diverse workforce, we've taken the following actions:

- + Set up a mentoring program starting at all our German locations that focuses on diversity
- + Established employee resource groups dedicated to supporting the advancement of Black employees and women in leadership roles at AGCO
- + Continued running a global Inclusion Awareness Training program for managers and others, which we've been expanding throughout the workforce
- + Provided all employees with access to an online tool called Culture Wizard that offers education on diversity and facilitates interactions among a diverse group of colleagues around the world



In keeping with our commitment to advancing in these areas, AGCO created the new role of Global Director of Diversity, Equity and Inclusion in 2021. Also, AGCO's new Chief Human Resources Officer Ivory Harris, appointed in 2021, became a new member of the prestigious Executive Leadership Council, whose primary focus is to nurture and amplify Black excellence and leadership in business.



### PROMOTING DIVERSITY IN AGRICULTURE

AGCO's commitment to diversity extends to the broader agriculture industry. AGCO's Agriculture Foundation partners with Minorities in Agriculture Natural Resources and Related Sciences (MANRRS), a non-profit organization, to offer scholarship opportunities for internship roles and support hiring talent from underrepresented groups.



**INCREASING WOMEN IN LEADERSHIP POSITIONS**

We have continued to raise the bar for the representation of women in the AGCO workforce, and especially among our leadership team. The rate of increase in women in leadership has been steadily climbing. Having achieved our 2021 goal of 18 percent women in leadership positions, we are working toward a goal of 20 percent for 2022 and 25 percent for 2030.

We reached our 2021 goal of **18%** women in leadership positions

We have taken a number of steps to help drive our success in expanding the representation of women in our leadership team:

- + We require that women represent 50% of the final candidates for leadership positions before a hiring decision can be made
- + A global team conducts bi-monthly audits of candidate recruitment and flow in leadership searches, focusing on ensuring significant representation of women in the process
- + We offer the opportunity to participate in the AGCO Global Women’s Network, a business advisory group dedicated to the development and promotion of women at AGCO
- + We established the “Ignite Your Impact” program to support the advancement of women in the manufacturing, engineering, and supply-chain functions, which are three functions at AGCO with low representation of women

AGCO women have been consistently recognized by The Manufacturing Institute as part of their STEP (Science, Technology, Engineering and Production) Awards. In 2021, two AGCO women received this prestigious recognition.

AGCO is also represented on the Board of the Women in Manufacturing Education Foundation, a nonprofit organization committed to developing programs and resources that further the advancement of women in the manufacturing workforce.

◀ AGCO’s ESG workstream teams regularly come together to discuss ways to accelerate our sustainability journey.

**GOAL**  
Extend mandatory unconscious bias training to **all employees** in 2021

**PROGRESS**  
In 2021, unconscious bias training was cascaded to our global workforce

**ADDRESSING UNCONSCIOUS BIAS**

We have established a diversity and inclusion training program that includes a focus on recognizing and eliminating unconscious bias wherever it appears in the company, and on promoting behaviors and attitudes that advance inclusion. That training was implemented as a mandatory virtual course for our non-production workforce and run by frontline supervisors in stand-up meetings for production employees. It is now mandatory for all AGCO leaders, and we have accomplished our goal of cascading it throughout the entire workforce. We aim to build baseline metrics for identifying and improving unconscious bias throughout the organization.



**ADVANCING LGBTQ EQUALITY**

AGCO South America is a member of the Pride Connection in Brazil, which supports the LGBTQ community. The Pride Connection is also connected with the R.E.D. Network, a group in Argentina that develops and promotes diversity and inclusion within businesses.

# Employee health, safety and wellbeing

## FOCUS 2.0

We have long strived to be an industry leader in employee safety, especially in our manufacturing facilities.

In 2021, we embarked on a safety program refresh called Focus 2.0, to do even more to advance safety, and to come as close as possible to eliminating the risk of injury for all employees in any situation. This new initiative is aligned with ISO 45001 and builds upon our original Focus Safety Initiative launched in 2014 and takes a wide-ranging, systematic approach to identifying and mitigating safety risks before they lead to injuries or impact well-being. We have a roadmap to certify the majority of our global manufacturing sites under the ISO 45001 standard by 2023.

We are committed to best-in-class employee safety in the agriculture industry. We've set a goal to deliver year-over-year improvement in our Total Case Incident Rate (TCIR) and have set an aspirational goal to achieve a TCIR below 1.0. We want to make sure every AGCO employee comes home safely at the end of the day to their families.

## FOCUS 2.0 ACTIONS TO DATE

- + Launched an updated corporate global health and safety policy covering all employees and sites
- + Launched a global safety portal and communications campaign to raise awareness of health, safety and well-being topics
- + Rolled out an updated global safety training course for all employees
- + Analyzed site by site performance, identified sites with the highest incident rates and developed "get well" plans for each with concrete goals, actions and oversights.
- + Introduced critical safety rules to reduce occurrences of serious injuries
- + Started a behavioral safety program to better understand why people might act in unsafe ways and promoted a safety-oriented mindset
- + Set safety goals for all employees through GROW, our Global HR Management System
- + Undertook Health and Safety Layered Audits to assess compliance of specific processes with relevant safety standards
- + Piloted an app with manufacturing sites to improve and standardize the collection of near miss data

**12% reduction** in Total Case Incident Rate in 2021

**26% of manufacturing sites** are certified with ISO 45001, the most stringent standard for occupational health and safety

One important aspect of Focus 2.0 is its emphasis on creating a culture of risk-awareness and reporting among employees, whether they work in a manufacturing facility, a sales office, or from home. We are providing training alongside behavior-based goals for employees, including management, to help instill this culture of safety awareness.

Equally important, we are providing tools to support that awareness and to enable employees to take safety-promoting actions. One of those tools is an online safety portal that makes it fast and easy to submit a concern that will be promptly reviewed and, when appropriate, acted on. We are also running a number of pilots using phone apps to improve the reporting of incidents, enabling employees to take a photo or video of an unsafe situation or environment, at which point the apps will forward the image or video to managers. We want to involve all employees in identifying risks as early as possible, when the risks may still be at a low level, so they can be addressed before they evolve into actual injuries.



## SUPPORTING EMPLOYEES DURING COVID-19

As soon as it was evident that a global pandemic was emerging, we enlisted the top 800 leaders of our organization to engage in a crisis conversation about what we needed to do to protect employees' health, safety, and well-being in every possible way. That meeting became a weekly event, and as effective health and safety protocols became established throughout the company, and we developed a better understanding of the situation and how our employees were faring, the meetings became monthly.

◀ At AGCO, we put the health, safety and well-being of our employees at the center of our operations.



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# Our Communities

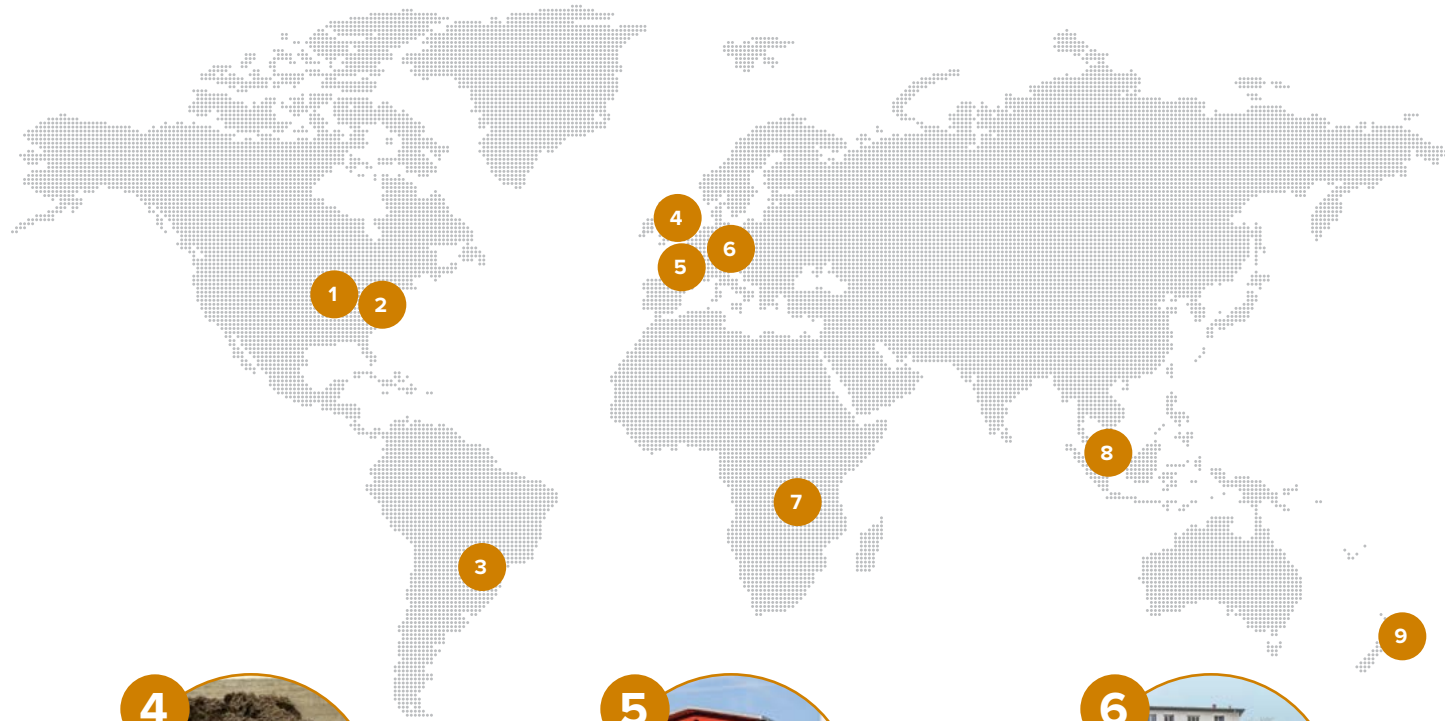
As a farmer-focused, purpose-driven company, we keenly feel the value of community, and we look for ways to contribute to the many communities in which we operate.

**W**e aim to be responsible corporate citizens of our communities. Cultivating positive community relations is good business, and helping communities thrive is in keeping with our Values. We've actively engaged in philanthropic efforts to improve the lives of our neighbors around the world, on many fronts.

We often partner with our dealer and distributor network in helping communities. In addition to multiplying the good we can accomplish, those partnerships help strengthen dealers' and distributors' involvement in their own communities, make us better partners to work with, and bring us closer to customers and their needs.



# Community impact around the world



## 1 Employees plant mini forest for World Environment Day Illinois and Alabama, USA

Grain & Protein employees invested in 415 hackberry trees and shared this “mini forest” to be planted at Illinois and Alabama facilities, employees to plant at home and with the City of Assumption, Illinois for a new walking path for the local community.



## 2 Support families experiencing homelessness Georgia, USA

AGCO employees continued their support of Rainbow Village, a local non-profit that works to transform the lives of families experiencing homelessness. Support provided nutritious meals for children attending afterschool programs and furnished an apartment for a family moving out of temporary housing.



## 3 Manufacture and donate medical supplies to local hospitals Brazil

Across AGCO facilities in Brazil, employees helped manufacture and donate many different types of medical supplies needed at hospitals during the Covid-19 pandemic including face shields, protective vests, alcohol, generators and hospital beds.



## 4 Local garden support community wellbeing UK

AGCO employees in the UK continue their support of Gro-Organic’s mission to create green spaces to support the well-being of community members. Donation support in 2021 helped create a garden space for a group of women and children who were residing in a women’s refuge center to encourage autonomy and confidence.



## 5 Beehives improve biodiversity France

Pollination is a significant issue for our farmers and the world food supply. Partnering with BTOBEES, Beauvais employees installed 3 beehives to support pollination and local biodiversity. The bees are expected to produce the equivalent of 250 jars of honey to be harvested and sold for the benefit of an association.



## 6 Equipment auction benefits local students Germany

During the modernization of the AGCO factory in Wolfenbüttel, discarded inventory such as production machines, tools, furniture and forklifts were auctioned to employees. The proceeds were donated to the Kinderschutzverbund Wolfenbüttel that offers tutoring to elementary school students who show learning deficits due to the Covid-19 pandemic.



## 7 Martin Richenhagen Future Farm Zambia

The Home-Bio Gas Project was implemented as a waste management strategy for the farm and local community that reduced both waste and energy consumption. The project supplied participants with a fermentation bag with attached gas storage, piping and a gas plate. Gas is produced by fermenting left over food in the bio-gas cylinder and households can use the gas plate instead of an electric cooker.



## 8 Helping neighbors affected by Covid-19 Malaysia

AGCO employees identified 50 families in their own neighborhoods that needed support during Covid-19 and collaborated with the Masmeyer Foundation and JCI, an NGO aiding the community, to deliver basic food parcels and face masks to their neighbors to lessen the burden of the Covid-19 pandemic.



## 9 Supporting young viticulturists New Zealand

The Fendt team continued its sponsorship of the NZ Young Viticulturist of the Year Competition that provides a fantastic opportunity for viticulturists 30 years or under to upskill and widen their network within the industry. It is a tough but rewarding experience as the contestants undergo a mix of practical and theoretical questions and an interview.

University of Pretoria



◀ The launch of the Africa Agribusiness Qualification, sees 20 participants embark on a year-long program



## AGCO Agriculture Foundation

We launched the AGCO Agriculture Foundation (AAF) in 2018, as a reaffirmation of our dedication to standing with farmers as they strive to feed the world. The AAF demonstrates our support of specific United Nations Sustainable Development Goals (SDGs) aimed at preventing and relieving global hunger, and providing farmer-centric support to farming communities. The Foundation is a thought leader in corporate philanthropy and shared value creation in keeping with our AGCO Farmer-First strategy. AAF supports non-profit organizations with projects that contribute to Zero Hunger, help to build agricultural infrastructure, and provide development programs for farmers and their farming communities.

## NUTRITION AND SUSTAINABLE FOOD SYSTEMS

The AAF is addressing the crucial challenges of food security, climate action in agriculture, and animal welfare. In 2021, AAF provided \$50,000 in funding to the Global Animal Partnership (G.A.P.) for a project assisting farmers in North America in pioneering an animal welfare certification program, enhancing their animal welfare practices while increasing profitability. And a \$125,000 AAF project with the Kenya Red Cross Society (KRCS) is assisting with climate-smart agricultural practices to improve the livelihoods of host and refugee communities at the Dadaab Refugee Complex, one of the largest refugee complexes in the world.

## AGRICULTURAL EDUCATION, RESEARCH, AND INNOVATION

The AAF is advancing quality agricultural education and innovation by expanding on the success of the first cohort of the Africa Agribusiness Qualification program (AAQ). Along with major institutions and other partners, the AAF launched the AAQ's second cohort program in South Africa. Funded by a \$250,000 AAF grant, the program is empowering young Africans to serve as trusted partners to African farmers in order to transform the African agri-food sector.

The AAF also established a three-year partnership with Minorities in Agriculture Natural Resources and Related Sciences (MANRRS). The partnership offers scholarship opportunities for tailored internship roles and support for hiring talent

**AAF IMPACT**

With more than 20 projects around the world, the AAF has reached more than **20,000 people and 200,000 households** in our farming communities

from underrepresented groups. The three-year, \$240,000 grant funding is helping to reach more exceptional students to develop leadership skills that will contribute to the transformation of the agricultural industry.

## COMMUNITY DEVELOPMENT PROGRAM

The AAF has been active in providing fast responses to support farmers and farming communities during disasters and emergencies, assisting them in their recovery and rebuilding. One example was a \$120,000 donation to non-profit organizations in Germany as part of the relief efforts for farmers devastated by flooding in that country in 2021. A \$25,000 contribution in 2021 to the Sehgal Foundation supported Covid-19 emergency response activities in rural India — a continuation of the AAF 2020 Covid-19 relief efforts. The grant delivered food ration kits, basic healthcare supplies, and information to 12,600 vulnerable rural families in the states of Uttar Pradesh and Bihar in the face of the second wave of Covid-19.

### VISION

Holistic approach to the prevention and relief of hunger

### MISSION

Initiate impactful programs to support food security and sustainable agricultural development in communities

### PURPOSE

Build needed agricultural infrastructure

To learn more about the projects that AFF supported in 2021, visit [www.agcofoundation.org](http://www.agcofoundation.org).

# Governance

We believe that a successful sustainability strategy is only possible if supported by sound corporate governance.

**A** GCO is committed to a Farmer-First strategy that includes advancing the sustainability of farming, ensuring farmer productivity and profitability, as well as contributing to the protection of the environment, in alignment with creating long-term value for our shareholders. Our commitment is reflected in the structure of our Board of Directors (“Board”), to ensure the Board can effectively provide oversight of our sustainability-related strategic planning activities and the social and environmental impacts of major business decisions.



# Sustainability oversight

## BOARD ACCOUNTABILITY

We are working to further integrate sustainability oversight across the enterprise’s organizational and management systems. 2021 marked the second year of implementing a new structure to promote enhancements in Board oversight, strategic planning and reporting on sustainability issues identified in our materiality assessment.

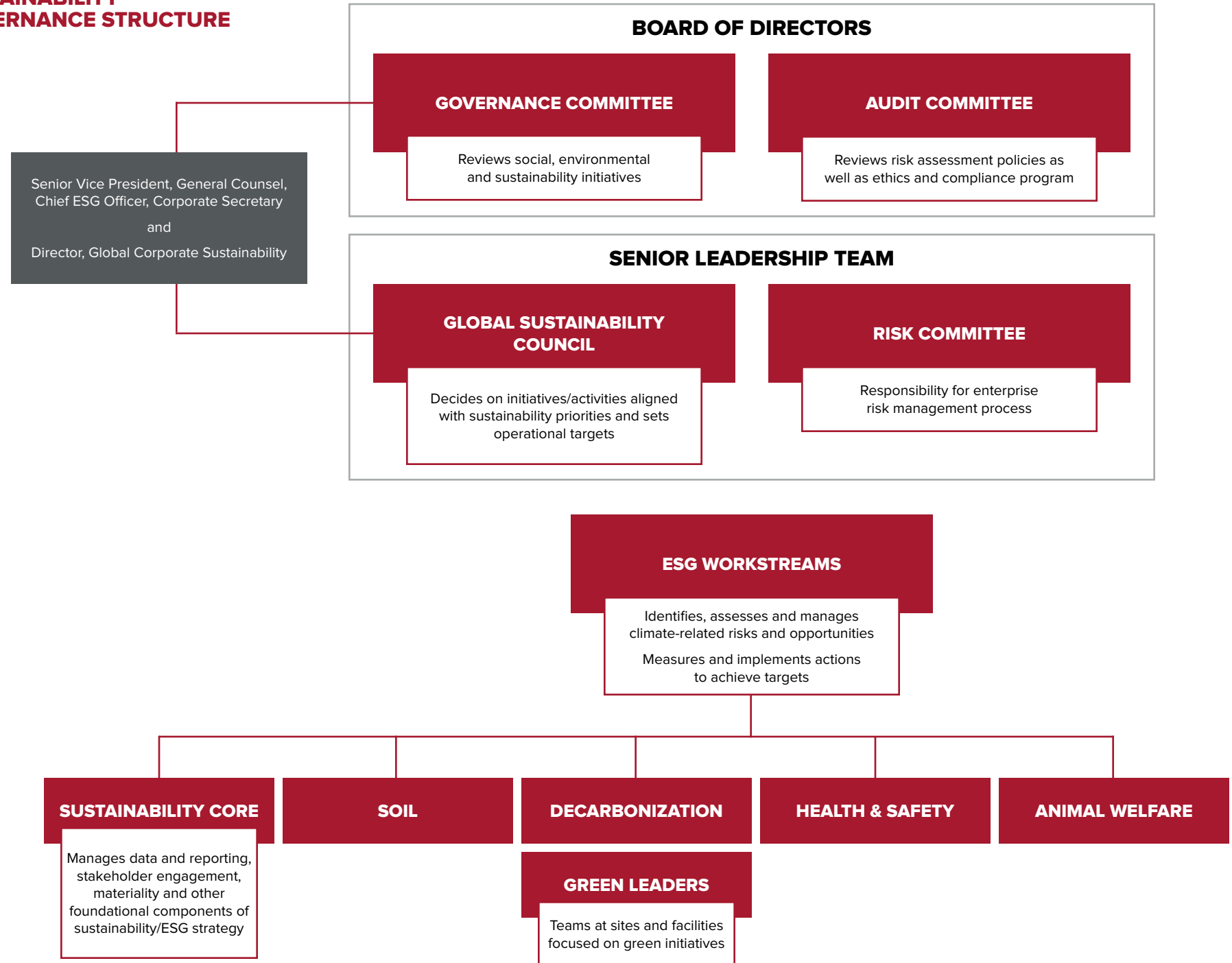
While day-to-day accountability for progress in implementing our sustainability strategy rests with AGCO’s executive leadership, the Governance Committee of the Board is tasked with providing input regarding social, environmental, and sustainability initiatives of the company. This Committee has a formal calendar schedule for review of these initiatives with management in twice-yearly meetings. During those meetings, the Committee considers various social, health and safety, and environmental matters and reviews AGCO’s public reporting on these topics. The Senior Vice President, General Counsel also holds the role of Chief ESG Officer and attends all the meetings of the Governance Committee. In addition, the Board reviews sustainability matters at one meeting of the Board each year.

## SUSTAINABILITY MANAGEMENT ACROSS THE ORGANIZATION

In 2021, AGCO established the Sustainability Council, an executive-level group charged with driving implementation of sustainability policies and initiatives across significant businesses, locations, and functions. Consisting of senior brand and functional leadership, the Sustainability Council monitors sustainability-related operational risks, opportunities, and progress, and assists with the removal of any barriers to integrating sustainability into the business.

AGCO also established a Sustainability Core Team, ESG work streams, and Green Leaders. The Sustainability Core Team drives the implementation of Council decisions, and oversees the execution of sustainability initiatives and programs. The ESG work streams lead the execution of initiatives intended to meet our sustainability commitments. Green Leaders champion sustainability, drive knowledge, and encourage the sharing of best practices throughout the business. They also provide expertise on work streams to the Sustainability Core Team, promoting the integration of sustainability into day-to-day practices across AGCO.

## SUSTAINABILITY GOVERNANCE STRUCTURE



Senior Vice President, General Counsel,  
Chief ESG Officer, Corporate Secretary  
and  
Director, Global Corporate Sustainability

## Board structure, diversity and tenure

We value the benefits of a diverse Board. Our Board is composed of eight independent directors and two non-independent directors representing a mix of expertise, experience, and backgrounds intended to best enhance stakeholder value, including guiding our Farmer-First strategy and overseeing progress in our efforts to advance farming sustainability.

To maintain the right overall Board composition, we are thoughtful about the refreshment process. Five of our current directors have been elected since early 2019. The average tenure for our board members is approximately six years, and refreshment provides an opportunity to continue to advance the board's diversity, as well as its alignment with the growing importance of corporate environmental and social impact.

In addition, the Board has been taking important steps to improve AGCO's governance, through:

- + Establishing an ongoing and holistic review of governance with the assistance of external special counsel
- + Implementing a Board development process with the assistance of external expertise
- + Rotating the role of Lead Director
- + Enhancing the role of the Lead Director
- + Introducing a policy to limit the maximum term of the Lead Director to five years
- + Introducing a policy to provide for a rotation of Committee Chairs
- + Rotating Committee Chairs of Audit, Governance and Finance Committees

30%  
of Board members  
are women

30%  
of Board members  
are ethnically diverse

~6 years  
average tenure of  
Board members



### ENTERPRISE RISK MANAGEMENT APPROACH

AGCO enterprise risk management focuses on identifying, defining and monitoring risks that impact shareholder value over the long term. We develop and track execution plans on key risks the company has identified. We integrate those key risks and mitigations of them into our business decision-making processes and strategic plans.



# Ethics and compliance

AGCO is dedicated to the highest standards of ethical conduct and responsible corporate governance. We highly value the integrity of our employees, managers, officers and the Board, and we are dedicated to full disclosure with regards to our activities and policies. Our policies and employee training provide a structure and framework to guide employees in adhering to ethical, responsible behavior at AGCO.

AGCO is committed to complying with all applicable laws and regulations. The Audit Committee is responsible for overseeing our compliance programs and our procedures for the receipt, retention, and treatment of complaints and concerns regarding accounting, internal accounting controls, auditing or related matters, and the confidential, anonymous submission by employees of concerns through the AGCO Alertline.

## OUR GUIDING PRINCIPLES AND POLICIES

As part of our public disclosure efforts, we provide access to our corporate governance-related standards, policies, and other information on our [investor webpage](#):

- + **Corporate Governance Principles** provide the framework for the governance of AGCO and are reviewed by the Board annually
- + **Charters** guiding the Board Audit, Compensation, Executive, Finance, Governance and Succession Planning Committees
- + **Global Code of Conduct** helps us live our Core Values by guiding our behavior in the workplace

## ANTI-CORRUPTION AND WHISTLEBLOWING PROGRAM

We are proud of our open-door environment and an anti-retaliatory culture that encourages open and honest dialogue among the workforce. Employees are empowered by our anti-corruption program and the AGCO Alertline to report any concerns of violations to our Global Code of Conduct, policies, or the law including actual, potential, or perceived wrongdoing.

We maintain a confidential and anonymous reporting procedure for the receipt, retention and treatment of complaints or concerns regarding accounting or auditing matters or other possible violations of our Global Code of Conduct. AGCO's employees are encouraged to report any concern or possible violations to the Global Code of Conduct, policies or the law without fear of retaliation. 94 reports were received through the AGCO Alertline during 2021 with 75 closed reports as of December 31, 2021.

AGCO's retaliation protection program is intended to facilitate concerns reporting, including actual, potential, or perceived wrongdoing, including the violation to the Global Code of Conduct. AGCO will not tolerate retaliation against anyone for reporting or providing information that he or she reasonably believes relates to a violation of law, the Global Code of Conduct or AGCO policies. Retaliation is grounds for discipline, up to and including dismissal.



## ADDITIONAL GOVERNANCE POLICIES

Additional governance policies that guide our behavior and business practices include:

- + **Health and Safety Policy**
- + **Environment and Climate Change Policy**
- + **Human Rights Policy**
- + **Supplier Code of Conduct**
- + **Conflict Minerals Policy**

# Engaging our stakeholders

## IDENTIFYING OUR MATERIAL ESG ISSUES

Engaging stakeholders is critical to identifying, assessing, and prioritizing the environmental, social, economic, and governance issues that are most material to our business and our key stakeholders. AGCO is committed to undertaking a comprehensive materiality assessment every three years. The last materiality assessment took place in 2020, and in 2023, we plan to conduct a materiality refresh.

The material issues we identified in 2020 continued to guide and inform our sustainability strategy, approach and reporting in 2021. Key stakeholders that we typically engage in our materiality assessment include dealer and distributor partners, customers, employees, investors, and farmers.

For more information on how we engage with farmers and community partners, refer to **Our Farmers** and **Our Communities** sections of this report.

*Materiality, as used in the context of this Sustainability Report, and our reference to materiality, is different to the definition used in the context of our filings with the SEC. Issues deemed material for the purposes of this Report, and for the purposes of determining our Sustainability strategies, may not be considered material for financial purposes nor for SEC reporting purposes.*



### TYPE OF ISSUES

- Economic and Social
- Environmental

### IDENTIFIED AS MATERIAL ISSUES

1. Animal Welfare
2. Climate Smart Agriculture
3. Climate Risk
4. Decarbonization
5. Digital Agriculture
6. Product Lifecycle Stewardship
7. Soil Health and Soil-Carbon Sequestration
8. Sustainable Food Systems
9. Sustainable Mechanization
10. Employee Health and Safety

## LISTENING TO OUR STAKEHOLDERS

We listen closely to our stakeholders' needs, interests, and concerns, and stand ready to evolve our policies and practices in keeping with what we learn from those engagements. We are committed to engaging in 2022 more directly with a larger percentage of our stakeholders, and improving the quality of that engagement. To that end, we are currently developing a more structured approach to stakeholder engagement.

### DEALER AND DISTRIBUTOR PARTNERS

As part of our Farmer-First strategy, we've come to think of the farmer as the customer, and our independent dealers and distributors as our partners in selling to farmers. That shift away from calling our dealers and distributors customers helps reinforce our commitment to understanding and engaging directly with farmers, while also emphasizing our need to work closely with dealers and distributors to provide customers with outstanding solutions and experiences.

### CUSTOMERS

We established a dedicated customer experience organization in our new operating model, which sits under the same umbrella as agronomy and product development. This organization listens regularly to customers to understand their pain

points and respond to their feedback. Our customer satisfaction score is a critical internal key performance indicator. We will continue to clearly communicate our Farmer-First commitment, and work to build wider awareness of AGCO's leadership in precision agriculture offerings that advance both sustainability and farm productivity.

### EMPLOYEES

We launched a global employee engagement and experience survey, along with multiple pulse surveys throughout the year, and are committed to taking action on the results. We are working to better understand and improve the overall employee experience at AGCO, and aligning employee experience with our customer experience efforts. A top priority for us is continuing to instill employee pride in being part of AGCO. See the **Our People** section of this report to learn more.

### INVESTORS

We deepened our engagement with investors on ESG in 2021 and intend to continue that effort into 2022. We are also continuing to share more robust data on and insights into AGCO's accelerating growth, performance, and innovations, and finding ways to more sharply articulate our improved ability to grow consistently at or above market, as we build on the progress we made in the past year with our Farmer-First strategy.

## Cybersecurity and data privacy

As part of its risk oversight role, our Audit Committee oversees cyber risk, information security and technology risk, including management’s actions to identify, assess, mitigate and remediate material cybersecurity issues and risks. The Audit Committee receives two formal reports during each fiscal year from our Chief Information Security Officer as well as our Chief Information Officer on our technology and cyber risk profile, enterprise cybersecurity program and key enterprise cybersecurity activities.

During 2022, we plan to establish a Cybersecurity Council comprised of members of our senior management team who will be regularly briefed on cybersecurity matters and provide input to our overall approach to cybersecurity. Our formal cybersecurity program is structured and governed around the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework, as well as other global standards and best practices. We have a cybersecurity incident response plan in place that provides a documented framework for handling high severity security incidents and includes facilitated coordination across multiple functions of the Company.

We invest in threat intelligence and are active participants in industry and government forums to strive to improve our overall capabilities with respect to cybersecurity. We routinely perform reviews of threat intelligence and vulnerability management capabilities, while performing simulations and drills at both technical and management levels. We incorporate external expertise in

all aspects of our program utilizing best practice guidance from third-party cybersecurity advisors to provide objective assessments of our capabilities. We maintain a cyber and internet security and privacy liability insurance coverage. We also ensure that we have policies and practices in place to address data privacy regulations.

Our cybersecurity program is reviewed and assessed by external information security specialists or by our internal audit group at least annually, with formal reporting of such assessments provided to the Audit Committee. Last, we conduct annual cybersecurity awareness training for employees and targeted training for high-risk functions of the Company. We also conduct phishing exercises and correlated education with our employees.

**[Read our Privacy Statement for more information about how we are protecting customer data.](#)**



## Increased transparency in ESG reporting

We heard our stakeholders and are responding to their growing demand for more transparency around our environmental, social, and governance (ESG) issues, strategies, and practices. For that reason, this report provides a more robust view of our approach to ESG, including consolidated Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) disclosures, which can be found in the following **Data Index** section of this report.

2021 was the first year we disclosed against the Task Force on Climate-related Financial Disclosures (TCFD) framework. **[Read our inaugural TCFD Report.](#)**

We are committed to increasing the transparency of our ESG disclosures year over year and will continue to engage and collect feedback from our stakeholders on how we can further improve our transparency on the issues that matter most to them.

We hit a transparency milestone last year by responding to the **CDP Climate Change** disclosures for the first time

## SELECT 2021 ESG RATINGS AND BENCHMARKS

### Sustainalytics ESG Risk Rating

**20.8** 2020: 23.2  
Industry Top Rated  
Scale 0–100, with 100 being the most severe

### MSCI ESG Rating

**BBB** 2020: BBB  
Scale AAA to CCC

### ISS Environmental Quality Score

**4/10** 2020: 6/10  
Scale 1–10, with 1 being the best possible score

### ISS Social Quality Score

**3/10** 2020: 5/10  
Scale 1–10, with 1 being the best possible score

### ISS Governance Quality Score

**2/10** 2020: 5/10  
Scale 1–10, with 1 being the best possible score





# Index

Progress Towards Targets

Global Reporting Initiative (GRI) Index

Sustainability Accounting Standards Board (SASB) Index

# Progress towards targets

2021 marked the first full year of AGCO's sustainability strategy. We've identified various commitments and goals to measure our progress.

COMMITMENTS	ACTION	STATUS
<b>SOIL HEALTH AND CARBON SEQUESTRATION</b>		
<b>Integrate sustainability into customer engagement activities</b>	<ul style="list-style-type: none"> <li>+ Quarterly farmer panel with AGCO senior team</li> <li>+ Research into farmer perspectives on soil health and carbon sequestration in Europe through independent research partner</li> <li>+ Global voice of customer activities</li> </ul>	✓
<b>Integrate soil health best practice into Future Farms trials and Global Crop Tours</b>	<ul style="list-style-type: none"> <li>+ Focus on sustainable practices aimed at improving soil health, sequestering carbon, and improving farm profitability</li> <li>+ Research conducted in the United States, Denmark, Switzerland, and Zambia on cover crops, tillage systems, and fertilizer practices</li> <li>+ Insights disseminated to employees, dealers, and farmers via reports, online videos, social media, television and field tours</li> </ul>	✓
<b>Develop new sensors, technologies, and machine features to support soil health and carbon sequestration</b>	<ul style="list-style-type: none"> <li>+ Initiated process to identify data requirements for map and gap analysis of soil carbon sequestration</li> </ul>	✓
<b>Deliver 100% connected fleet by 2025</b>	<ul style="list-style-type: none"> <li>+ 80% connected AGCO production agriculture fleet based on machines retailed and activated in 2021</li> <li>+ Focus in 2022 is to hold activation rate and expand proactive customer support that leverages data from connected machines</li> </ul>	✓

- ★ Achieved
- ✓ On track
- ! Off track
- ↑ Updated

COMMITMENTS	ACTION	STATUS
<b>DECARBONIZING OUR OPERATIONS AND PRODUCTS</b>		
<b>Decrease GHG intensity by 20% by 2026</b>	<ul style="list-style-type: none"> <li>+ 13% GHG intensity reduction *Scope 1 &amp; 2 manufacturing sites</li> <li>+ 8% reduction in energy intensity *manufacturing sites</li> <li>+ Baseline year (2020) had significant disruptions to operations due to Covid-19. This resulted in lower-than-normal energy use, which increased in 2021 with operations returning to pre pandemic production levels</li> <li>+ Focus in 2022 is to continue tracking progress and achieve comparable reduction in both emissions intensity and absolute emissions</li> </ul>	✓
<b>Reach 60% renewable energy by 2026</b>	<ul style="list-style-type: none"> <li>+ 32% renewable energy *manufacturing sites</li> <li>+ 52% renewable electricity *manufacturing sites</li> <li>+ Twelve manufacturing sites running on 100% renewable electricity</li> <li>+ Focus in 2022 is to increase the use of renewable electricity by expanding the procurement of EACs for European locations, increasing the number of sites with green supply contracts and exploring vPPA solutions in North America. In parallel, our QUEST program focuses on energy conservation projects, fuel switching, energy recovery, and building more on-site solar power systems, to reduce total energy consumption while increasing the share of renewable energy.</li> </ul>	✓
<b>Invest in technologies to reduce carbon emissions of products in use</b>	<ul style="list-style-type: none"> <li>+ Progress in our development of low- and zero-emission tractors:               <ul style="list-style-type: none"> <li>- Fendt e100 prototype tractor powered by carbon-free, hydrogen-based fuel cell technology</li> <li>- Concept hybrid tractor combining battery-powered motor with a smaller internal-combustion engine, offering an interim route to all-electric farming</li> <li>- R&amp;D project on biomethane as a reduced emission fuel</li> </ul> </li> <li>+ Quantifiable (estimated up to 10%) CO<sub>2</sub> emission savings from the use of CVT technology, reductions in material use, fuel consumption, and efficiencies in logistics and shipping</li> </ul>	✓
<b>Commercial availability of Fendt e100 by 2025</b>	<ul style="list-style-type: none"> <li>+ Currently in the advanced pilot stage and targeted for commercial launch before 2025</li> </ul>	✓
<b>Increase remanufacturing business revenue 150% of 2020 baseline revenue by 2025</b>	<ul style="list-style-type: none"> <li>+ 11% increase in reman revenue in 2021</li> </ul>	✓
<b>Publish our climate risk assessment in 2021</b>	<ul style="list-style-type: none"> <li>+ Completed in 2021 and published alongside our 2021 Sustainability Report</li> <li>+ Submitted first CDP disclosure</li> </ul>	★



COMMITMENTS	ACTION	STATUS
<b>ELEVATING EMPLOYEE SAFETY</b>		
<b>Roll out AGCO's Focus 2.0 program globally in 2021</b>	+ Rolled out a revamped organization-wide safety initiative that goes beyond manufacturing to instill a culture of safety throughout our entire company	★
<b>Deliver a year-on-year improvement to our recordable injury rate for manufacturing sites</b>	+ 12% improvement + TCIR of 2.53	★
<b>PRIORITIZING ANIMAL WELFARE IN FOOD PRODUCTION</b>		
<b>Convene an expert animal welfare advisory panel in 2021</b>	+ Animal welfare panel was established and held first meeting in 2021	★
<b>Develop and publish a corporate policy on animal welfare in 2021</b>	+ <a href="#">Animal Health &amp; Welfare Guiding Principles</a> published	★
<b>Establish a research program in partnership with the University of Georgia Poultry Science Department in 2021</b>	+ Partnership established with University of Georgia	★
<b>Finalize a product strategy and roadmap in 2021 to deliver animal welfare innovations across AGCO's protein brand portfolio by 2025</b>	+ Added Faromatic SCOUT robot to our precision livestock farming (PLF) product roadmap	✓
	+ Completed the development and launch of the AS310 layers aviary product solution with Tecno	
	+ Further developing animal welfare product line in poultry and swine business	
<b>VALUING OUR PEOPLE</b>		
<b>Conduct employee engagement survey for global workforce and establish an engagement baseline in 2021</b>	+ 62% of our non-production workforce participated in our employee engagement survey and an engagement baseline was established	✓
<b>Increase the number of women in leadership to 18%</b>	+ Reached 18% women in leadership positions and set new target of 25% women in leadership by 2030	★ ↑
<b>Extend mandatory unconscious bias training to all employees in 2021</b>	+ Unconscious bias training was cascaded to our global workforce	★

# Global Reporting Initiative (GRI) Index

This report was prepared using the Global Reporting Initiative (GRI) Standards.

## General Disclosures

### Organizational profile

#### GRI 102-1

**Name of the organization**

[AGCO Corporation](#)

#### GRI 102-2

**Activities, brands, products, and services**

[About AGCO](#)

[Brands](#)

[2021 10-K, page 1 \(“General”\)](#)

[2021 Annual Report, page 2 \(“Farmer First Strategy”\)](#)

#### GRI 102-3

**Location of headquarters**

4205 River Green Parkway,  
Duluth, GA 30096-2568

#### GRI 102-4

**Location of operations**

AGCO has facilities in Asia-Pacific and Africa, Europe and the Middle East, North America and South America.

[Global Reach](#)

[2021 10-K, page 2 \(“Dealers and Distribution”\)](#)

#### GRI 102-5

**Ownership and legal form**

AGCO Corporation is a publicly traded company on the New York Stock Exchange.

#### GRI 102-6

**Markets served**

[Global Reach](#)

[2021 10-K, page 3 \(“Geographical Region”\)](#)

#### GRI 102-7

**Scale of the organization**

[2021 10-K, page 1 \(“General”\)](#)

#### GRI 102-8

**Information on employees and other workers**

AGCO employed approximately 23,300 employees as of December 31, 2021.

[2021 10-K, page 9 \(“Human Capital”\)](#)

[Our People](#)

### EE0-1 2020 Employment Data

Job Categories		Male								Female						Total
		Male Hispanic (A)	Female Hispanic (B)	White (C)	Black (D)	NHOPI (E)	Asian (F)	Nat Am (G)	2+ Race (H)	White (I)	Black (J)	NHOPI (K)	Asian (L)	Nat Am (M)	2+ Race (N)	A–N (O)
Exec/Senior Mgrs	(1.1)	0	0	13	0	0	1	0	0	1	0	0	0	0	0	<b>15</b>
First/Mid-Level Mgrs	(1.2)	15	2	329	8	1	25	0	0	75	7	0	7	0	0	<b>469</b>
Professionals	(2)	22	14	930	23	0	66	1	3	197	13	0	27	1	2	<b>1,299</b>
Technicians	(3)	6	2	193	3	0	3	0	0	45	1	0	1	0	0	<b>254</b>
Sales Workers	(4)	1	1	134	1	0	1	0	2	17	0	0	0	0	0	<b>157</b>
Admin Support	(5)	3	4	78	3	0	14	1	0	143	9	0	8	0	0	<b>263</b>
Craft Workers	(6)	57	6	748	13	2	8	7	4	44	2	0	1	1	0	<b>893</b>
Operatives	(7)	101	17	761	53	2	16	1	2	176	4	0	6	0	1	<b>1,140</b>
Laborers & Helpers	(8)	12	6	18	3	0	0	0	1	7	1	0	0	1	1	<b>50</b>
Service Workers	(9)	0	0	1	0	0	0	0	0	0	0	0	0	0	0	<b>1</b>
<b>Total</b>	<b>(10)</b>	<b>217</b>	<b>52</b>	<b>3,205</b>	<b>107</b>	<b>5</b>	<b>134</b>	<b>10</b>	<b>12</b>	<b>705</b>	<b>37</b>	<b>0</b>	<b>50</b>	<b>3</b>	<b>4</b>	<b>4,541</b>

**GRI 102-9  
Supply chain**

[2021 10-K, page 3](#) (“Manufacturing and Assembly”)

[Suppliers](#)

[Managing Our Supply Chain Responsibly](#)

**GRI 102-10  
Significant changes to the organization and its supply chain**

[2021 Annual Report, page 4](#) (“Forward-Looking Statements”)

[2021 10-K, page 67](#) (“Acquisitions” footnote)

[2021 10-K, pages 13 -23](#) (“Risk Factors”)

[CEO Message](#)

In calendar year 2021, AGCO added additional assets through the acquisition of Creative Media Sites Inc, Farm Robotics and Automation SL and Headsight LLC and Headsight Holdings Inc. These acquisitions have not had a material impact on our corporate governance practices, operations, supply chain or environmental and social impact as described in this report.

**GRI 102-11  
Precautionary Principle or approach**

AGCO is evaluating sustainability-related strategic decisions following the Precautionary Principle.

[Health and Safety Policy](#)

[Environment and Climate Change Policy](#)

**GRI 102-12  
External initiatives**

[United Nations Sustainable Development Goals \(UN SDGs\)](#)

[Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

[Sustainable Accounting Standards Board \(SASB\)](#)

[CDP \(formerly the Carbon Disclosure Project\)](#)

[Investing in Sustainability Projects and Partnerships](#)

**GRI 102-13  
Membership of associations**

[Public Policy](#)

**Strategy****GRI 102-14  
Statement from senior decision-maker**

[A message from Eric P. Hansotia](#)

[2021 Annual Report, page 1](#) (“Chairman’s Message”)

**GRI 102-15  
Key impacts, risks, and opportunities**

[2021 10-K, pages 13–23](#) (“Risk Factors”)

[Enterprise Risk Management](#)

[Approach Risks](#)

[2021 TCFD Report](#)

**Ethics and integrity****GRI 102-16  
Values, principles, standards, and norms of behavior**

In 2021 under CEO, Eric P. Hansotia, AGCO developed a new Corporate Purpose, Vision and Mission, described in the CEO Message.

[AGCO Values](#)

[Global Code of Conduct](#)

**GRI 102-17  
Mechanisms for advice and concerns about ethics**

AGCO maintains an external email address, phone numbers and customer feedback form for all regions as a mechanism for suppliers and third parties to raise concern (see [Feedback and Questions](#) and [AGCO Alert Line](#)).

[Corporate Governance Principles, page 7](#) (“Conflicts of Interest and Concern Reporting”)

[Global Code of Conduct, page 9](#) (“How to address issues and raise concerns”)

**Governance****GRI 102-18  
Governance structure**

[Governance](#)

[Governance, Committees and Charters](#)

[2021 Annual Report, page 4](#) (“Governance Update”)

[2022 Proxy Statement, page 13](#) (“Board of Directors and Corporate Governance”)

**GRI 102-19  
Delegating authority**

The [Governance Committee Charter](#) was updated in October 2021 with stronger language on climate change.

**GRI 102-20  
Executive-level responsibility for economic, environmental, and social topics**

[Governance](#)

**GRI 102-21  
Consulting stakeholders on economic, environmental, and social topics**

[Engaging Our Stakeholders](#)

[Identifying Our Material Issues](#)

**GRI 102-22  
Composition of the highest governance body and its committees**

[2022 Proxy, page 8](#) (“Election of Directors”)

**GRI 102-23  
Chair of the highest governance body**

Eric P. Hansotia assumed the role of Chairman of the Board in 2021.

**GRI 102-24  
Nominating and selecting the highest governance body**

[Board Structure, Diversity and Tenure Governance Committee Charter](#)

[2022 Proxy, page 15](#) (“Governance Committee”) and [page 16](#) (“Identification and Evaluation of Director Nominees”)

**GRI 102-25  
Conflicts of interest**

[Corporate Governance Principles, page 7](#) (“Conflicts of Interest and Concern Reporting”)

**GRI 102-26  
Role of highest governance body in setting purpose, values, and strategy**

The Board of Directors reviewed and approved AGCO’s updated Corporate Purpose, Mission and Vision as part of a strategy refresh process in 2021.

[Board of Directors](#)

[Governance, Committees and Charters](#)

[Governance](#)

**GRI 102-27  
Collective knowledge of highest governance body**

[Corporate Governance Principles](#)

[2022 Proxy, page 8](#) (“Election of Directors”)

**GRI 102-28  
Evaluating the highest governance body’s performance**

The Corporate Governance Committee conducts an annual evaluation of the Board and each of its committees. It is the intention of the Corporate Governance Committee to continue to engage in this process annually.

[2022 Proxy, page 16](#) (“Identification and Evaluation of Director Nominees”)

[2022 Proxy, page 13–14](#) (“Board Of Directors and Corporate Governance”)

**GRI 102-29  
Identifying and managing economic, environmental, and social impacts**

[Sustainability Governance Structure](#)

[Identifying Our Material Issues](#)

[Corporate Governance Principles](#)

**GRI 102-30**  
**Effectiveness of risk management processes**

[Enterprise Risk Management Approach](#)

[2021 TCFD Report](#)

[Audit Committee Charter](#)

[Corporate Governance Principles](#)

[2021 10-K, pages 13–23 \(“Risk Factors”\)](#)

[2022 Proxy, page 20 \(“Risk Oversight”\)](#)

**GRI 102-31**  
**Review of economic, environmental, and social topics**

The Board regularly reviews economic, environmental and social topics. The Governance Committee oversees sustainability and reports to the full Board. The Governance Committee met twice in 2021 to discuss Sustainability/ESG topics. The full Board received an annual update in April.

[Sustainability Governance Structure](#)

[Corporate Governance Principles](#)

[2022 Proxy Page 13–14 \(“Board Of Directors and Corporate Governance”\)](#)

**GRI 102-32**  
**Highest governance body’s role in sustainability reporting**

Sustainability Reporting is overseen by Senior Vice President,

General Counsel and Corporate Secretary; Senior Vice President, Chief Financial Officer; Vice President, Chief Communications Officer; and Vice President, Chief Accounting Officer. The Sustainability report is prepared by the Director of Corporate Sustainability. A Sustainability Council was established in 2021 to drive sustainability integration across policies, activities, products and services, including support of sustainability reporting. The Governance Committee does not play a direct role but reviews the final report before publication.

[Sustainability Governance Structure](#)  
[Governance Committee Charter](#)

**GRI 102-33**  
**Communicating critical concerns**

AGCO maintains an external email address, phone numbers and customer feedback form for all regions as a mechanism for suppliers and third parties to raise concern (see [Feedback and Questions and AGCO Alert Line](#)).

[Corporate Governance Principles, page 7 \(“Conflicts of Interest and Concern Reporting”\)](#)

[Global Code of Conduct, page 9 \(“How to address issues and raise concerns”\)](#)

[2022 Proxy, page 22 \(“Stockholder Communication with the Board of Directors”\)](#)

**GRI 102-34**  
**Nature and total number of critical concerns**

[2021 10-K, pages 13–23 \(“Risk Factors”\)](#)

**GRI 102-35**  
**Remuneration policies**

[2022 Proxy, page 28 \(“Executive Officers”\)](#)

**GRI 102-36**  
**Process for determining remuneration**

[2022 Proxy, page 28 \(“Executive Officers”\) and page 44 \(“Compensation Considerations”\)](#)

**GRI 102-37**  
**Stakeholders’ involvement in remuneration**

[2022 Proxy, page 34 \(“Compensation Discussion & Analysis — 2020 and 2021 Stockholder Engagement”\)](#)

**GRI 102-38**  
**Annual total compensation ratio**

[2022 Proxy, page 63 \(“2021 CEO Pay Ratio”\)](#)

**GRI 102-39**  
**Percentage increase in annual total compensation ratio**

[2022 Proxy, page 63 \(“2021 CEO Pay Ratio”\)](#)

[Stakeholder engagement](#)

**GRI 102-40**  
**List of stakeholder groups**

[Engaging Our Stakeholders](#)

**GRI 102-41**  
**Collective bargaining agreements**

[2021 10-K, page 10 \(“Unions, Collective Bargaining Agreements and Work Councils”\)](#)

**GRI 102-42**  
**Identifying and selecting stakeholders**

[Engaging Our Stakeholders](#)

Stakeholders are identified and selected through AGCO leadership and employees conducting their business duties, stakeholder mapping exercises driven by vision, mission, values and strategic priorities, and our materiality analysis.

**GRI 102-43**  
**Approach to stakeholder engagement**

[Engaging Our Stakeholders](#)

**GRI 102-44**  
**Key topics and concerns raised**

[Engaging Our Stakeholders](#)

[Identifying Our Material Issues](#)

## Reporting practice

**GRI 102-45**  
**Entities included in the consolidated financial statements**

[2021 10-K, page 1 \(“Business”\)](#)

**GRI 102-46**  
**Defining report content and topic boundaries**

[Identifying Our Material Issues](#)

**GRI 102-47**  
**List of material topics**

[Identifying Our Material Issues](#)

**GRI 102-48**  
**Restatements of information**

In the 2021 Sustainability Report, AGCO restates the following:

+ Annual energy and greenhouse gas (GHG) consumptions of its manufacturing sites disclosed earlier in our 2021 CDP response

+ Percentage of renewable energy use in the base year 2020 (shared in the 2020 Sustainability Report)

These restatements are necessary due to the following changes in methodology and reporting scope:

+ Introduction of dual Scope 2 reporting, revision of applied emission factors, implementation of a new ESG data collection and reporting tool, and consequent

improvement of data availability and quality

AGCO included in the reporting scope two additional individual manufacturing sites in Austria and Czech Republic and expanded the coverage of two other manufacturing sites in the U.S. and Italy to account for all directly linked facilities.

**GRI 102-49**  
**Changes in reporting**

In 2021, we are able to report on our water related metrics. However since, water is not a material topic for AGCO, we started tracking water use, discharge and recycling, and intend to keep reporting these metrics and improve on data quality and management approach.

**GRI 102-50**  
**Reporting period**

The 2021 Sustainability Report includes data covering the calendar year ending December 31, 2021.

**GRI 102-51**  
**Date of most recent report**

AGCO released its 2020 Sustainability Report in March 2021.

**GRI 102-52**  
**Reporting cycle**

Annual

## Economic

### GRI 102-53

#### Contact point for questions regarding the report

Global Sustainability & ESG Reporting Manager

Email: [Dorottya.Olah@agcocorp.com](mailto:Dorottya.Olah@agcocorp.com)

### GRI 102-54

#### Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with the GRI Standards: Comprehensive option.

### GRI 102-55

#### GRI content index

[2021 GRI Index](#)

### GRI 102-56

#### External assurance

AGCO did not conduct third-party assurance in non-financial reporting or this index for 2021.

## Economic performance

### GRI 201

#### Management approach

[2021 10-K, page 33–36](#) (“Liquidity and Capital Resources”)

### GRI 201-1

#### Direct economic value generated and distributed

[2021 Annual Report, page 2](#) (“Financial Highlights”)

[2021 10-K, page 52](#)

(“Consolidated Statements of Cash Flows”)

### GRI 201-2

#### Financial implications and other risks and opportunities due to climate change

[Facing the Climate Crisis](#)

[2021 TCFD Report](#)

## Environmental

## Energy

### GRI 302

#### Management approach

As a manufacturing company, the energy consumption — and subsequent GHG emissions — of our operations are significant. We follow legal requirements and input from stakeholders when setting goals to reduce our energy use. Our current scope includes 34 manufacturing sites across EME, NA, SA and APA regions, which were identified in 2020 as AGCO’s highest energy consumers. The data disclosed in this report is reflective of these 34 sites. In 2022, we plan to extend the scope of energy data tracking and reporting to the whole of AGCO’s portfolio.

Our target is to achieve 60% renewable energy use by 2026 compared to a 2020 baseline and an internal KPI of 2.5% annual energy intensity reduction (MWh total energy consumed/standard hours). In order to achieve these targets, to keep in line with current and anticipated legal requirements, and to respond to stakeholder requests, we are utilizing various solutions such as purchase of renewable electricity, implementing energy conservation, recovery and efficiency projects, exploring solutions for electrification of natural gas usage, and switching to biofuels.

As of end of 2021, two of our manufacturing sites hold ISO 50001 (Energy Management System) certificates, and certification is in progress on one site. Four sites hold ISO 14001 (Environmental Management System) certificates, and three other sites are in the process of being certified.

### GRI 302-1

#### Energy consumption within the organization

The first full year we have energy data for is 2020, which is used as a baseline for our targets. We recognize the challenges of using this as our baseline, given that in 2020, global operations were heavily impacted by the Covid-19 pandemic. Our sites experienced shutdowns or reduced operations for extended periods of time and/or multiple times during the year. This resulted in lower absolute energy consumption than was expected during pre-pandemic operations.

### Total Energy Consumption

	2020	2021
<b>Total energy consumption (GJ)</b>	<b>1,864,960</b>	<b>2,091,846</b>
Total fuel consumption from non-renewable sources (GJ)	822,338	928,321
Total fuel consumption from renewable sources (GJ)	25,823	31,631
On-site electricity generation (GJ)	6,781	6,431
Purchased electricity consumption (GJ)	848,350	927,099
Purchased heating consumption (GJ)	161,668	198,364

### Total Energy and Renewable Energy Consumption by Region

	Total energy consumption (GJ)		Total renewable energy consumption (GJ)	
	2020	2021	2020	2021
Corporate	1,864,960	2,091,846	498,505	676,991
APA	58,508	93,292	0	0
EME	950,946	1,088,543	362,308	528,158
NA	642,719	653,699	9,899	9,728
SA	212,788	256,312	126,298	139,105

For GHG accounting we follow the GHG Protocol Corporate Standard and Scope 2 methodology. The energy data collection and accounting is structured to support GHG accounting. We collect energy data on a monthly basis from our 34 manufacturing sites using an industry-leading ESG tool, AGCO STAR, powered by Enablon. Non-renewable fuel consumption includes diesel, petrol, LPG, natural gas, heating and residual fuel oil. Renewable fuel use includes biodiesel. We have opted to report on-site renewable electricity generation (from solar) separately from purchased electricity.

In the energy data disclosed within this report, we applied estimation to fill in data gaps due to invoicing and data availability issues. Estimations are calculated using the previous consecutive 12-month period’s average consumption. The share of estimated consumption of total reported energy was 1.6% in 2020 and 3.8% in 2021.

### GRI 302-3 Energy intensity

#### Energy Intensity Per Total Net Sales

	Energy intensity per total net sales (MWh/ million USD net sales)	
	2020	2021
Corporate	56.62	52.17
APA	22.14	27.29
EME	42.46	56.34
NA	82.08	68.28
SA	67.64	54.44

## Water and effluents

### GRI 303 Management approach

Since our operations are not particularly water intensive, water and effluents have not been identified as a material topic for AGCO. However, with the implementation of our ESG data collection and reporting tool, we were able to start tracking water related metrics in 2021. We are keen to improve data quality and management methods going forward. To achieve this, we established a water baseline of our 34 manufacturing sites for 2021 and are working on establishing a strategy to improve data quality. As part of our climate scenario analysis under the TCFD Framework, we used the World Resources Institute (WRI) Aqueduct Water Risk Atlas to identify six manufacturing sites that are predicted to experience extremely high (>80%) water stress by 2030 under RCP 8.5 SSP.3, this includes four sites in the U.S. in Kansas, Illinois and Minnesota, and two sites in China. We anticipate our initial efforts to focus on improving the measurement of discharge and water consumption and the setting of water conservation targets for these sites.

### GRI 303-1 Interactions with water as a shared resource

AGCO does not consider this as a material issue, but considers sites in water stressed areas as a physical climate risk that is reviewed as part of our climate risk mitigation and resiliency efforts.

### GRI 303-3 Water Withdrawal

### GRI 303-4 Water Discharge

### GRI 303-5 Water Consumption

As of December 31, 2021, we were unable to track the source of water withdrawal. Our sites report water withdrawal from municipal water supply and other water sources (mainly groundwater wells).

Water consumption is calculated using the following formula:  
Water consumption = water withdrawal – water discharged – water recycled

Where water discharge is not measured directly, discharge = withdrawal was assumed. We aim to improve upon the measurement of water discharge in the future to be able to provide more accurate water consumption figures.

#### 2021 WATER METRICS

	Water withdrawal from municipal water supply (m <sup>3</sup> )	Water withdrawal from other water supply (m <sup>3</sup> )	Water discharge (m <sup>3</sup> )	Water reused/ recycled (m <sup>3</sup> )	Water consumption (m <sup>3</sup> )
Corporate	466,160	244,568	528,357	3,919	178,452
APA	47,338	42,31	89,650	0	0
EME	161,073	78,711	177,272	2,634	59,879
NA	118,020	0	117,717	288	16
SA	139,728	123,545	143,718	998	118,557

## Emissions

### GRI 305 Management approach

Decarbonization of our operations, as one of our strategic pillars, is a material topic. As a large energy user and therefore GHG emitter, we support the ambitions of the Paris Agreement. We have been working to establish our emission baseline and set targets to reduce our emission intensity and increase the use of renewable energy sources. We are also developing products with lower production and use-phase emissions.

We established the Decarbonization Workstream which includes representatives of various parts of the business that regularly come together to:

- + evaluate recent developments of frameworks, policies and reporting requirements around decarbonization and its implications to AGCO
- + Evaluate feedback from investors and other stakeholders about decarbonization best practices and requirements, and to provide insight for development of our decarbonization strategy
- + Exchange ideas and best practices across regions and different parts of the business

Our decarbonization targets are to reach a 20% GHG emission intensity (total emissions per million \$USD net sales) by 2026 compared to a 2020 baseline and 60% renewable energy use by 2026. These targets are being monitored regularly and are revised and updated as appropriate with new developments of best practice and investor feedback.

Our decarbonization strategy includes the use of various levers depending on regional and market factors. In 2021, we launched QUEST — Quick Energy Savings Tools — to identify and implement energy efficiency projects and facilitate knowledge sharing across the organization. We work with our internal indirect procurement team and external consultants to increase the use of renewable electricity via green supply contracts and unbundled Energy Attribute Certificate (EAC) purchase programs, as well as implementing and looking into potential long-term solutions, such as on-site renewable electricity generation and Virtual Power Purchase Agreements (vPPAs).

For our GHG emissions accounting, we follow the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard and Scope 2 Standard methodology. We use operational control approach and Scope 2 dual reporting. Within this report and index, when it is not otherwise specified,



Scope 2 data is referring to Scope 2 market-based values, and we use Scope 2 market-based values for reporting and target progress tracking. Our energy and GHG emissions data currently cover 34 manufacturing sites globally with an intent to include our full portfolio in 2022.

We utilize AGCO STAR powered by Enablon to track and calculate energy and emission data of our sites; DEFRA 2020 and 2021 conversion and emission factors to calculate Scope 1 and Scope 2 district heating emissions; and IEA 2020, US EPA eGRID 2019, RE-DISS 2020 emission factors and supplier specific emission factors to calculate our Scope 2 electricity emissions. GHGs included in the calculation are CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. We report GHG emissions in tCO<sub>2</sub>e, and use global warming potentials of CH<sub>4</sub> and N<sub>2</sub>O to calculate CO<sub>2</sub>e according to the 5th IPCC Assessment Report.

### GRI 305-1 Direct (Scope 1) GHG emissions

### GRI 305-2 Energy indirect (Scope 2) GHG emissions

### GRI 305-4 GHG emissions intensity

#### GHG Absolute Emissions & Emissions Intensity

	2020	2021
Scope 1 (tCO <sub>2</sub> e)	49,507	55,846
Scope 2 location-based (tCO <sub>2</sub> e)	91,717	100,172
Scope 2 market-based (tCO <sub>2</sub> e)	49,838	49,445
Total Scope 1+2MB (tCO <sub>2</sub> e)	99,345	105,290
Emission intensity (tCO <sub>2</sub> e/million USD net sales)	10.86	9.45

#### GHG Absolute Emissions & Emissions Intensity By Region

	Scope 1+ Scope 2 market based (tCO <sub>2</sub> e)		Emission intensity (tCO <sub>2</sub> e/ million USD net sales)	
	2020	2021	2020	2021
APA	7,768	11,789	10.58	12.41
EME	38,551	36,531	6.2	6.81
NA	48,010	50,563	22.07	19.01
SA	5,015	6,408	5.74	4.9

As detailed in 302-1, AGCO's first full year of energy and emission data is 2020, which serves as the baseline for our targets. We recognize the challenges of using this as our baseline, given that, in 2020, global operations were heavily impacted by the Covid-19 pandemic. In 2021, our operations started to return to pre-pandemic operations, which resulted in an increase of energy consumption (11%) and consequently, an increase of GHG emissions (6%). While our absolute emissions increased slightly, we reduced our emission intensity (per million USD of net sales) by 13%, due to increased net sales in 2021. In 2021, we took deliberate steps to decrease our emissions, and as a result, four additional sites in EME are using 100% renewable electricity. We are working on a comprehensive decarbonization strategy to achieve absolute emission reduction as well as the reduction of our emission intensity.

### GRI 305-5 Reduction of GHG emissions

In 2021, we engaged with our indirect purchasing team to increase the number of green supply contracts in EME and NA regions and with an external consultant to support us in piloting an unbundled EAC purchase program in EME. The direct emission reduction results of these engagements were 7,873 tCO<sub>2</sub>e (compared to a baseline of market-based emissions in the absence of the reduction activities).

### GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

	VOC emissions (metric ton)	
	2020	2021
Corporate	453.41	501.32
APA	1.6	1
EME	190.35	215.5
NA	118.23	105.08
SA	143.23	179.74

## Employment

### GRI 401 Management approach

[Our People](#)  
[2021 10-K, page 9 \(“Human Capital”\)](#)

### GRI 401-1 New employee hires and employee turnover

[Our People](#)  
[2021 10-K, page 10 \(“Human Capital”\)](#)

### GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

In all countries, we offer market-competitive benefits.

## Labor/management relations

### GRI 402 Management approach

[Our People](#)

### GRI 402-1 Minimum notice periods regarding operational changes

We provide notice regarding any operational changes in compliance with local laws and the provisions of relevant collective bargaining agreements.

## Occupational health and safety

### GRI 403 Management approach

[Employee Health, Safety and Well-being](#)

[AGCO Health and Safety Policy](#)

Occupational health and safety is not just an obligation and a duty to our employees; we believe safety excellence can set AGCO apart and provide our company a competitive advantage. We are now expanding our Safety Program to track performance and improvements across all sites and employees worldwide. By leveraging our long-term shop floor experience, we will strive to achieve zero work-related injuries across our global enterprise. Our long-term Safety Vision is to be the Best-in-Class in the Agricultural Industry. Becoming the best is a journey that will take hard work from

everyone in the organization. Our goal is that everyone arrives home safely at the end of the day.

### GRI 403-1 Occupational health and safety management system

### GRI 403-8 Workers covered by occupational health and safety management systems

[Employee Health, Safety and Well-being](#)

All our operations are covered by the internal health and safety management system, including manufacturing plants, offices, sales offices, our own distribution center and warehouses, the contractors working in our premises, third-party contractors. As of end of 2021, nine of our manufacturing sites were OHSAS 18001/ISO 45001 certified, and certification was in progress on five additional sites. We have a roadmap to certify the majority of our global manufacturing sites against the ISO 45001 standard by 2023.

### GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

[Employee Health, Safety and Well-being](#)

Employees are expected to play an active role in health and safety as part of the company’s efforts to ensure that all employees return home safely at the end of the day. Establishing a culture of health and safety and risk awareness — where everyone looks out for one another — is key to a safe work environment. As part of annual performance reviews, health and safety forms 5 percent of all employees’ annual performance goals. Employees at every level of the business are set behavior-based goals, cascaded from the corporate level with an emphasis on leading KPIs to drive a stronger safety culture.

### GRI 403-5 Worker training on occupational health and safety

[Employee Health, Safety and Well-being](#)

All employees are assigned a mandatory training on our health and safety policies, goals, processes, and tools, as well as a separate training on identifying health and safety risks.

### GRI 403-6 Promotion of worker health

[Employee Health, Safety and Well-being](#)

### GRI 403-9 Work-related injuries

[Employee Health, Safety and Well-being](#)

In 2021, AGCO’s TCIR (Total Case Injury Rate) was 2.53, which is a 12% reduction compared to 2020 (2.87). This past year we also embarked on a safety program refresh called Focus 2.0, to do even more to advance safety, and to come as close as possible to eliminating the risk of injury for all employees in any situation. We’ve set a goal to deliver year-over-year improvement in our Total Case Incident Rate (TCIR) and have set an aspirational goal to achieve a TCIR below 1.0.

## Training and education

### GRI 404 Management approach

[Continuous Learning and Development](#)

### GRI 404-2 Programs for upgrading employee skills and transition assistance programs

[Continuous Learning and Development](#)

### GRI 404-3 Percentage of employees receiving regular performance and career development reviews

All AGCO employees receive regular performance reviews. Upon joining the organization, employees are on-boarded onto Employee Central which provides access to our GROW online learning and performance management platform. In annual performance appraisals, all people managers are assigned a People Managers Goal, which specifies and measures the leadership behaviors we expect of them. The people managers goal requires annual performance reviews, employee development discussions to discuss career goals, the setting of performance and personal development goals to be entered into our GROW online system, conducting one-on-one sessions with direct reports to discuss work progress against goals, and successor development plans for team roles.



## Diversity and equal opportunity

### GRI 405

#### Management approach

Attract, Develop, and Retain an Increasingly Diverse and Engaged Workforce

GRI 102-8 (EEO-1 2020 Employee Data)

2021 10-K, page 13 (“Diversity”)

### GRI 405-1

#### Diversity of governance bodies and employees

Board Diversity

GRI 102-8 (EEO-1 2020 Employee Data)

2021 10-K, page 13 (“Diversity”)

## Public policy

### GRI 415

#### Management approach

We strictly adhere to all laws and regulations governing corporate political activities. The laws of many countries prohibit or strictly limit contributions by corporations to political parties and candidates. Although our employees may engage personally, they are prohibited from doing so on behalf of the company or as a company employee.

### GRI 415-1

#### Political contributions

In 2021, we did not engage in any financial and/or in-kind contribution to any political campaign.

Global Code of Conduct

# Sustainability Accounting Standards Board (SASB) Index

## Sustainability Disclosure Topics and Accounting Metrics

Our 2021 SASB Report is AGCO's third report against the SASB framework. As an 'Industrial Machinery & Goods' organization under the SASB resource transformation category, the material factors under the SASB framework cover the following:

- + Energy management;
- + Employee health and safety;
- + Fuel economy and emissions in use-phase;
- + Materials sourcing; and
- + Remanufacturing design and services

Where applicable, the tables below provide data relating to these factors for full year 2021, and further qualitative disclosure is provided where appropriate.

### Energy management

SASB Code	Accounting Measure	Unit of Measure	Category	Disclosure
RT-IG-130a.1	(1) Total energy consumed	Gigajoules (GJ)	Quantitative	2,091,846
	(2) Percentage grid electricity	%	Quantitative	44%
	(3) Percentage renewable energy	%	Quantitative	32%

#### Disclosure

During 2021, AGCO implemented a new ESG management and reporting tool which enabled us to collect more detailed energy data, improve data quality and extend the reporting scope to include all 34 manufacturing sites.

### Employee health and safety

Code	Accounting Measure	Unit	Category	Disclosure
RT-IG-320a.1	(1) Total recordable incidence rate	Rate	Quantitative	2.53
	(2) Fatality rate	Rate	Quantitative	0 Fatalities
	(3) Near miss frequency rate	Rate	Quantitative	Not currently disclosed

#### Disclosure

The TRIR data covers ~96 % of manufacturing sites located in various countries based on the standard cost of production for full year 2021 actuals. Data is calculated per 200,000 hours worked.

## Fuel economy and emissions in use-phase

Code	Accounting Measure	Unit	Category	Disclosure
RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Gallons per 1,000 ton-miles	Quantitative	Not applicable to AGCO
RT-IG-410a.2	Sales-weighted fleet fuel efficiency for non-road equipment	Gallons per hour	Quantitative	Given the diversity of our products and variety of in-use application, as well as the absence of industry standards to estimate a per unit of work basis, AGCO is unable to calculate sales-weighted fuel efficiency or emissions. See additional disclosure below on efforts to reduce NOx.
RT-IG-410a.3	Sales-weighted fleet fuel efficiency for stationary generators	Watts per hour	Quantitative	
RT-IG-410a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road heavy duty-engines, and (d) other non-road diesel engines	Grams per kilowatt-hour	Quantitative	

### Disclosure

As a global business, AGCO has a manufacturing footprint on multiple continents and makes its products available in many parts of the world. In all countries where we do business, AGCO meets and, in many cases, exceeds local emissions standards or legal requirements.

As a pioneer in the application of new innovative emission reduction technologies to significantly reduce NOx, AGCO was the first to adopt the Selective Catalytic Reduction (SCR) technology in agricultural machinery to meet U.S. EPA Tier 4 standards. AGCO met the stringent particle number requirement introduced by EURO V standards in 2019 by application of Diesel Particulate Filter (DPF) in its engines. These engines are produced by AGCO Power Oy, a fully owned subsidiary of AGCO.

AGCO is investing in research and development to discover and offer a variety of viable innovative solutions to improve resource efficiency. This includes defining a diverse portfolio of equipment for our customers including diesel, natural gas, electrified power, hybrid technology, fuel cell technology and alternative fuels.

As countries around the world adopt emission standards and developed countries continue to significantly reduce the allowable pollutant limits in the future, AGCO is prepared and well positioned to meet new requirements.

## Materials sourcing

Code	Accounting Measure	Unit	Category	Disclosure
RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	N/A	Qualitative	See disclosure below.

### Disclosure

Measuring risk within a global supply chain is no easy task. Global supply chains can be exposed to a seemingly endless number of risk factors. At AGCO, taking proactive measures is a key pillar of supply chain risk management. Accordingly, AGCO utilizes various tools to assess and monitor risks within the supply chain. These risks can range from financial risks to anti-corruption violations to upstream and downstream mapping of a supplier's supply chain. No matter what the risk, AGCO seeks to be able to quickly identify any risk occurrences and react appropriately. Accordingly, AGCO expects full transparency from its suppliers when it comes to supply chain risk management.

The management of risks associated with the use of critical materials is handled by multiple functions within AGCO including Global Purchasing as well as Pricing, Quality and Legal teams. We also work directly with our suppliers to mitigate supply chain risks.

AGCO employs several measures to manage critical materials including, but not limited to:

- + Tracking tier one direct material suppliers and some indirect material suppliers via real-time risk management software which enables AGCO to profile and monitor our supply network;
- + Dual sourcing strategy on critical materials to ensure security of supply;
- + Supply Base optimization initiatives;
- + Design change collaboration;
- + Strategic pricing strategies and contract management; and
- + Regular supplier audits of new and existing suppliers via our supplier quality organization.

Our Supplier Cost Analysis team is responsible for tracking the percentage and weights of critical materials for purchased parts. Purchased parts are tracked by geography so that we are immediately aware when a critical part is impacted by regional supply chain risks.

Purchased parts are categorized by criticality through assignment to one of our global commodity strategic areas. Strategic parts are managed through global commodity directories and less-critical parts are managed regionally.

AGCO is a member of the Responsible Minerals Initiative and a core team member of the Smelter Engagement Team to engage with global smelters to source responsibly and receive certification.

For more information on AGCO's approach to supply chain risk prevention visit our website <https://www.agcocorp.com/suppliers/risk-prevention.html>



## Remanufacturing design and services

<b>SASB CODE</b>	<b>Accounting Measure</b>	<b>Unit</b>	<b>Category</b>	<b>Disclosure</b>
RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Reporting currency	Quantitative	\$68 M

Learn more about Our Sustainability Priorities  
in our [2021 Annual Report](#).



## ABOUT THIS REPORT

AGCO established a new global sustainability function in 2020. This is our second sustainability report since 2014. In the report, we have set out our strategic priorities for sustainability. We have not sought external assurance from third parties with respect to the information presented in this report.

This report covers activities for the fiscal year ending December 31, 2021 (FY2021) unless otherwise stated. This Sustainability Report provides a concise overview of our strategic priorities for sustainability as well as initial commitments and goals which we will evolve in future reports. We see this as an iterative process and will seek feedback

from stakeholders as to how we can evolve and improve our reporting and disclosures each year.

Materiality, as used in the context of this Sustainability Report, and our reference to materiality, is different to the definition used in the context of our filings with the SEC. Issues deemed material for the purposes of this Report, and for the purposes of determining our Sustainability strategies, may not be considered material for financial purposes nor for SEC reporting purposes.

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding our plans and expectations with respect to sustainability. The forward-looking statements include the goals and commitments described in this report and the other statements that address our future, which include statements that are introduced with words such as expect, intend, anticipate, plan, and phrases of similar import. Actual results may differ materially from the results suggested by the forward-looking statements for a range of reasons, including the need to develop new technology, the cost of developing that technology and of delivering that technology to farmers, the

acceptance of and demand for that technology by our distributors and farmers, competitive responses from other manufacturers of farm equipment, intellectual property claims by others, the need and challenges in attracting and retaining qualified employees, government regulation, and the risk factors that we identify in our Form 10-K for 2021 as filed with the Securities and Exchange Commission. We disclaim any obligation to update any forward-looking statements, except as required by law.

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