

Farmer First



2022 Sustainability Report

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INTRODUCTION

**We have a purpose:
Farmer-focused
solutions to sustainably
feed our world.**

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LETTER FROM OUR CEO

Farmers face significant pressure to produce more food to feed our growing population.



Eric Hansotia
Chairman, President, and
Chief Executive Officer

WITH THE WORLD'S POPULATION RISING above eight billion on its path to ten billion by 2050, coupled with an increasing demand for more protein, farmers face significant pressure to produce more food to feed our growing population.

Meeting that need comes with real challenges. Labor shortages and the rising costs of critical inputs like seed, fuel and fertilizer are pushing farmers to increase efficiency, while the shrinking amount of arable land and growing threat of severe weather events like droughts and floods require farmers to become more resilient in the face of climate change.

Farming also faces growing societal pressure. Agriculture has been called on to reduce emissions and sequester more carbon. Without changes, the forest, land and agriculture sector will generate 15 gigatons of CO₂ annually by 2050; to keep 1.5°C within reach, the industry will need to reduce emissions by over 70% by mid-century.

AGCO has been rising to the challenge to ensure farmers have the machines and technologies they need to

sustainably feed our world. We are doing our part to help farmers operate more sustainably and pushing ourselves to do the same—whether that's innovating for sustainability, reducing the environmental impact of our operations or investing in our diverse, motivated talent that makes our aspirations a reality.

Innovating for farmers

Our purpose is farmer-focused solutions to sustainably feed our world, and we bring that purpose to life across our award-winning brand portfolio.

Our precision agriculture technologies enable farmers to maintain or increase yields with the same or fewer inputs often on their existing equipment. Our machines and automated features enable smart farming. Our innovation extends across the entire crop cycle, from seed to storage to protein production.

Soil health is at the heart of profitable, sustainable farm operations. From intelligent, network-connected tractors that reduce soil compaction by limiting repeated machinery passes in the field, to precision technologies that enable the sequestration of carbon, our global brands help farmers enhance the health and resilience of their soil. In 2022, we introduced a game-changing innovation for agronomists called Radicle Agronomics™, a powerful set of soil-analysis tools, and Radicle Lab™, the world's first fully automated soil laboratory designed to greatly improve the precision and timeliness of soil sampling.

Our innovations also extend to protein production. We leverage robotics and sensor-enabled systems that monitor and automatically adjust environments to ensure the comfort and health of animals while enhancing farmer productivity.

Decarbonizing our operations and products

Our sustainability commitment starts with helping farmers grow profitably and sustainably. We offer groundbreaking products and technologies to sharply reduce or eliminate emissions from farm machinery. Our recently launched AGCO Power CORE™ engines reach new heights of efficiency and are compatible with renewable diesel, enabling up to 90% reduction in greenhouse gas

emissions. We also plan to launch our fully electric Fendt e100 tractor in 2024.

Combined with our precision agriculture technologies, our product lines deliver a crucial triple win for farmers: higher yields, higher profits, and more sustainable operations.

The other side of that commitment is decarbonizing our own operations, and we are making solid progress on that journey. In 2022, we exceeded our Scope 1 and 2 target three years ahead of schedule by reducing the emissions intensity of our manufacturing operations by 31% compared to our 2020 baseline.

We also completed a detailed assessment of our Scope 3 value chain emissions, and our product management, engineering, and supply chain leaders are working diligently to define our long-term decarbonization roadmap.

Investing in our people

Creating outstanding products and services for our farmers starts with creating a work environment where our employees can grow and thrive.

We are building a culture based on putting farmers first, working together to maximize results, and openly sharing diverse perspectives. Together, these beliefs and behaviors create a positive working environment that enables AGCO to achieve winning outcomes for farmers, each other, and our shareholders.

Within this winning culture, we actively seek and respond to employee feedback through our annual 'Voices' survey. Almost 20,000 employees shared their voice in 2022, with 88% of our employees sharing they are proud to work for AGCO.

Our product lines deliver a crucial triple-win for farmers: higher yields, higher profits, and more sustainable operations.

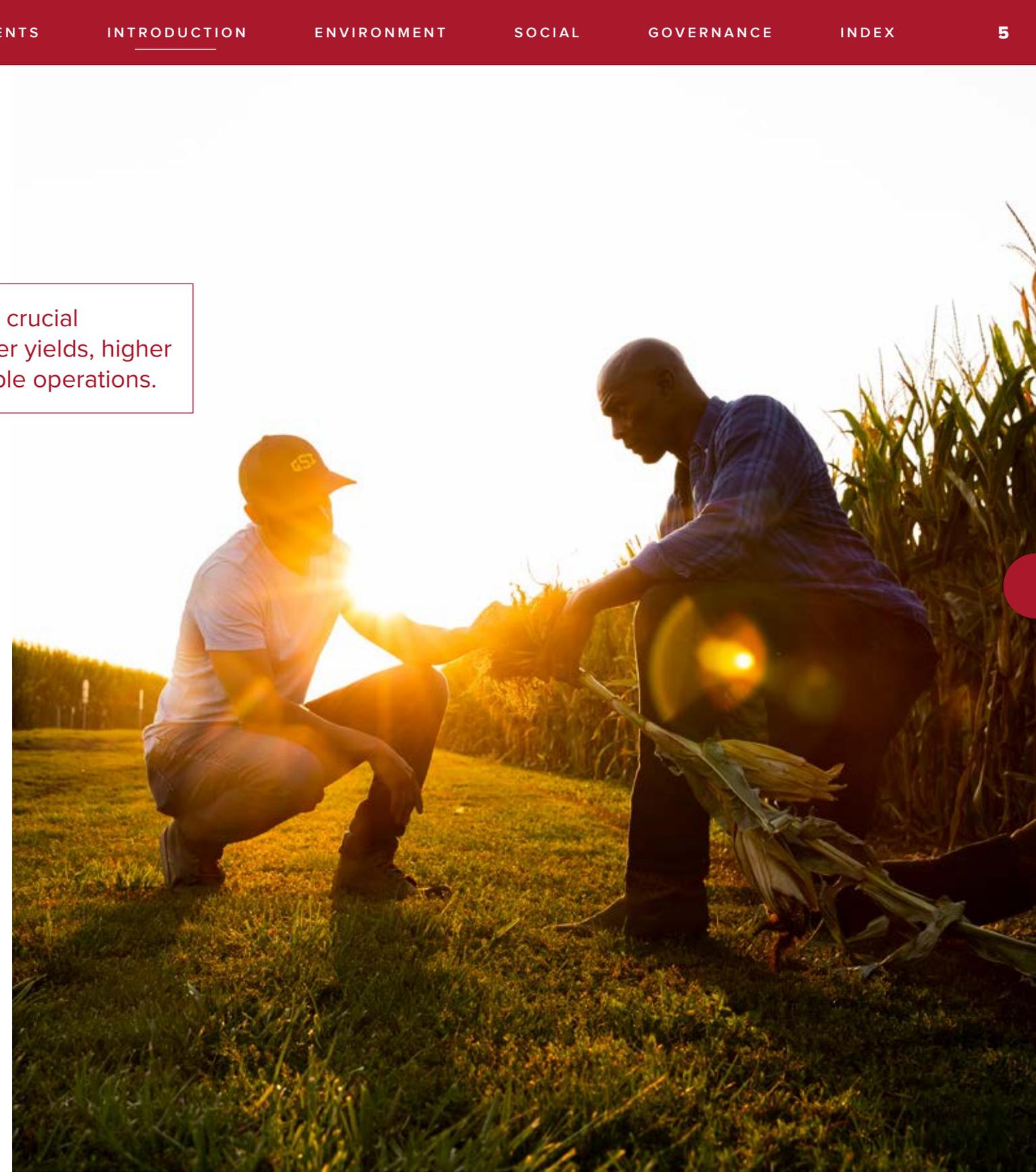
Safety, health and well-being serve as the foundation of the employee experience. We aspire to zero incidents, and our safety incident rate is decreasing year-over-year, with a 14% decrease in 2022. We have also set a new goal to achieve a best-in-industry incident rate below 1.5 by 2025.

Sustainability is a multi-faceted journey, and we are making significant progress in every dimension. I am proud of the progress we are making, and I am committed to accelerating progress as we work together to help farmers sustainably feed our world.

Eric Hansotia

Eric Hansotia

Chairman, President, and Chief Executive Officer



INTRODUCTION

ESG performance

Targets and 2022 performance at a glance

We continue to make progress against the targets we set in 2020 for decarbonizing our manufacturing sites. In 2022, we exceeded our Scope 1 and 2 target three years ahead of schedule by reducing the emissions intensity of our manufacturing operations by 31% compared to our 2020 baseline. We've made this progress alongside record production and sales in 2022, thanks to our targeted efforts to decouple our emissions from our financial growth through energy efficiency improvements, energy conservation, and increased use of renewable energy.

We increased our use of renewable energy to 36% in 2022, against our target of 60% renewable energy usage by 2026.

For details on the progress we have made and continue to make in these and other environmental, social and governance (ESG) areas, please see the [‘Decarbonizing our operations and products’](#); [‘Employee health, safety and well-being’](#); and [‘Diversity, equity and inclusion’](#) sections.

We hit a transparency milestone in 2022 by responding to the CDP full Climate Change questionnaire for the first time.

SUSTAINABILITY ESG RISK RATING



71 / 500

enablon
Sustainability Company
of the Year



SUSTAINALYTICS ESG RISK RATING

2022 18.0 "Industry Top Rated" Moved into "Low ESG Risk" category 14/540 Machinery Industry Group (1st = Lowest risk)	2021 20.8
	2020 23.2

Scale: 0-100, with 100 being the most severe risk

MSCI ESG RATING

2022 A Upgraded to A rating	2021 BBB
	2020 BBB

Scale: AAA to CCC

ISS QUALITYSCORE*

	2022	2021	2020
Environment	2/10	4/10	6/10
Social	3/10	3/10	5/10
Governance	2/10	2/10	5/10

Scale: 1-10, with 1 being the best possible score
*Based on annual ISS Proxy Research Benchmark Report published annually in April.

INTRODUCTION

ESG management approach

Listening to stakeholders

Meeting farmers' needs starts by understanding what they do, what they want and what they need. We talk to farmers every day, and our Leadership conducts quarterly farmer panels to stay connected to farmers' interests and concerns. Our global customer experience organization regularly engages with farmers through a variety of channels. Read more about this in the '[Stakeholder engagement](#)' section.

Leveraging data to drive ESG decisions

In 2022, we conducted an internal review on our ESG data processes and controls to help ensure we have robust processes, policies and systems in place for environmental data management and reporting. We are using AGCO STAR, our sustainability tracking and reporting tool, to track data from our sites and inform energy efficiency and conservation measures, as well as to aid in strategic decisions such as dealing with the implications of the 2022 European energy crisis. We also began using the EcoVadis platform last year to embed more robust ESG considerations in our management of suppliers and commodities. Read more about this in the '[Decarbonizing our operations and products](#)' section.

Materiality assessment

We want to ensure we are prioritizing the environmental, social and governance issues that are most material to our business, and to our key stakeholders, including farmers, investors, customers, employees, and dealer and distributor partners. Engaging these stakeholders to get their views is critical to that process.

In keeping with our commitment to undertake a comprehensive materiality assessment every three years, we are planning to conduct a materiality refresh in 2023. The material issues we identified in our previous materiality assessment, conducted in 2020, closely informed our sustainability strategies, actions and reporting in 2022. Meanwhile, we continue to engage with our farmers and other stakeholders in other ways on an ongoing basis to remain informed of evolving needs and expectations. Read more about this in the '[Stakeholder engagement](#)' section.

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.



OUR PURPOSE: FARMER-FOCUSED SOLUTIONS TO SUSTAINABLY FEED OUR WORLD

Our four sustainability strategic pillars

Our sustainability strategies and actions continue to reflect our four sustainability pillars. Here are just a few 2022 highlights.



Soil health

We established partnerships with companies that help connect farmers to the carbon market. We also launched Radicle Agronomics, a powerful set of new soil sampling and soil analysis tools designed for use by agronomists across the globe.

Decarbonization

We achieved our emission intensity target ahead of schedule. In total, 17 AGCO manufacturing sites are now using 100% renewable electricity, taking AGCO's use of renewable electricity to 63%.

Health and safety

We delivered a 14% reduction in our incident rate. We are now collecting total recordable incident rate (TCIR) information on all major sites, and rolled out additional digital capabilities to capture leading indicators.

Animal welfare

We convened our first in-person expert advisory panel to examine species-specific needs related to animal welfare, and to explore ways of meeting those needs through our product roadmap. And we invested in the precision-livestock company OptiFarm.

SUSTAINABILITY FOUNDATIONS

Governance - Data and assurance - Sustainable products - ESG reporting - Stakeholder engagement

Stakeholder engagement

We are always listening to our stakeholders, and always looking for more ways to engage with them to make sure we understand their evolving needs and expectations.

In 2022, Fendt held its inaugural Fendt sustainability forum to engage with a broad range of stakeholders on sustainable agriculture and technology. The forum hosted representatives from politics, industry associations, science, media, and NGOs, as well farmers. Delegates explored the role of technology, and examined the different contributions and commitments needed from farmers, manufacturers and policy-makers in meeting the challenges of sustainable, high-yield, profitable farming.

We also continued our sponsorship of the Global Agritech Supplier Summit in 2022, in partnership with the Berlin Institute of Supply Chain Management. The Summit brought together supply-chain professionals from across sectors with a focus on sustainability. The event launched a book, 'The World is Green,' which included thought-leadership contributions from AGCO and other industry leaders highlighting how geopolitical crises and increased resource scarcity are impacting global supply chains, and how these challenges can be tackled through innovation and partnerships.

Another way we are further strengthening our farmer engagement is through our Customer Experience Center of Excellence (CX COE) team, which continually listens to and responds to customer feedback. Our engagement with farmers spans one-on-one meetings, panel sessions and surveys. We also partner with our dealers to expand and deepen our farmer interactions.

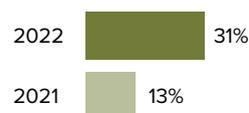
In 2022, ESG discussions were an important component of our investor engagement meetings, and investors were invited to attend our sustainable technology event in June, which featured presentations from AGCO's Leadership.

2022 AT A GLANCE

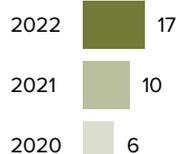
Sustainability highlights

Environmental performance

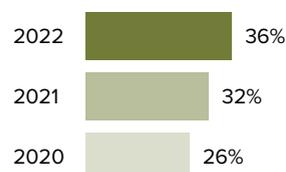
Reduction in emission intensity



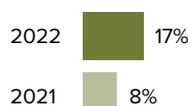
Sites using 100% renewable electricity



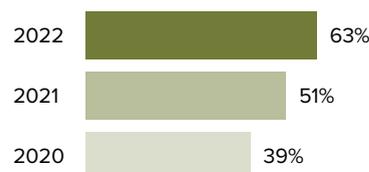
Renewable energy use



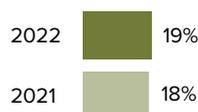
Reduction in energy intensity



Renewable electricity use



Increase in reman revenue



Relative change (percentage increase or decrease) is compared to 2020 base year.

Health and safety performance

14%

reduction in incident rate, ahead of our target

30%

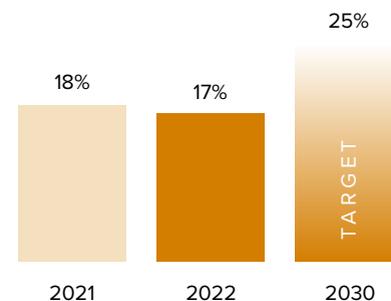
of Manufacturing sites certified ISO 45001 Health and Safety Management System, up from 26% in 2021

64%

of Manufacturing sites certified ISO 9001 Quality Management System, up from 59% in 2021

Social performance

Women in leadership



30%

of the Board are women

18%

of U.S. employees are ethnically diverse

79%

of employees participated in 'Voices,' our engagement and listening survey, up from 62% in 2021

Sustainable innovation

Pioneering clean tech

- + Fendt e100 fully electric tractor targeted for launch in 2024
- + All AGCO Power engines fully compliant for use with renewable diesel and new CORE engines are designed for future use with clean fuels
- + Research and development efforts on alternative fuels, fuel cells, hybrids, as well as high efficiency electric drivetrains

Innovative solutions for farmers

- + Radicle Agronomics transforms soil nutrient management with reliable agronomic data and precise tools including the Radicle Lab, the world's first fully automated soil laboratory
- + AGCO Finance Climate Journey Fund helps accelerate farmers' transition to more sustainable business operations

Increasing capabilities with acquisitions

- + JCA Technologies increases engineering and software development capabilities to accelerate the development of highly automated and autonomous machines
- + Appareo™ increases engineering, manufacturing and software development capabilities to deliver end-to-end enhanced technology solutions
- + Headsight® strengthens focus on developing industry-leading harvesting solutions to improve farmers' profitability

Focused investments to shape the future

- + OptiFarm uses proprietary software and an expert team to help farmers create the best environment for their animals
- + Apex.AI paves the way for safety-certified software for mobility and driverless vehicles in agriculture
- + Greeneye Technology's proprietary AI-enabled precision spraying system detects and sprays individual weeds, significantly reducing herbicide usage



ENVIRONMENT

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

+	ACTION ON CLIMATE CHANGE	11
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+	DECARBONIZING OUR OPERATIONS AND PRODUCTS	29
+	PRODUCT STEWARDSHIP	35



ENVIRONMENT

Action on climate change

Managing climate-related risks and opportunities

2021 was the first year we disclosed against the Task Force on Climate-related Financial Disclosures (TCFD) framework. In 2022, we continued to strengthen our climate-related management processes by addressing gaps in our disclosures and actions and by establishing a dedicated Sustainability Committee. We also concluded a quantitative assessment to identify and quantify the physical risks of climate change to our global facilities, calculated Scope 1 and 2 greenhouse gas emissions for our full portfolio, and conducted an inventory and calculation of our Scope 3 value chain emissions.

Read more about these efforts in the [‘TCFD index’](#) section.

A critical issue for our farmers and our business

Extreme weather events in 2022 once again highlighted the damaging effects of climate change on agriculture. Europe experienced its hottest summer on record, with heatwaves and wildfires devastating more than 800,000 hectares of land, Hurricane Ian impacting fruit production on Florida’s gulf coast, and water shortages severely impacting yields of multiple crops in California and Italy, the latter calling a state of emergency as a result of its worst drought in 70 years.

Global agriculture is experiencing the effects of a warming climate. The International Panel on Climate Change report, “Climate Change 2022: Impacts, Adaptation and Vulnerability” highlighted that economic damages are already being observed in agriculture, and that supporting ecosystem services such as water availability will continue to be vulnerable.

With the world’s food security at stake, the threat may ultimately become existential. Many farms are already struggling to maintain yields under increasingly adverse environmental conditions. AGCO is keenly aware of that burden; we thrive only as farmers thrive.

We accept our responsibility to reduce the greenhouse gas emissions driving climate change. We regard sustainability not as a series of one-at-a-time actions, but as a fundamental way of operating. While we look to integrate sustainability into our business, there are two broad elements of our sustainability strategy that receive special focus, in keeping with their potentially large impact. Those elements: designing and manufacturing machines and precision-agriculture tools that help farmers operate more sustainably; and reducing emissions associated with our own operations, and throughout our supply chain.

Our commitment on both these fronts is strong, and long-term. We have already made significant progress, and we are determined to build on it in the coming years.



ENVIRONMENT

Innovating for farmers in a changing world

AGCO PROVIDES FARMERS with the agricultural equipment, tools, services and information they need to reduce the carbon emissions associated with agriculture, which account for approximately one quarter of the world's greenhouse gases. We also recognize that increasing sustainability is intertwined with maximizing yield, efficiency and profitability. That's why we are focused on innovating in ways that help farmers protect the land and environment while also protecting and boosting their bottom line.

Since 2020, AGCO and its portfolio of products have received over 60 awards



Brand leaders in profitable, sustainable farming solutions

AGCO offers high-productivity, leading-edge agricultural machines and tools that support farms around the world of all types and sizes, throughout the crop cycle. In addition to tractors, planters, sprayers and combines, we are a leader in precision-farming technologies that deliver improved yields, lower costs, and more environmentally friendly operations. As the largest pure-play farm equipment manufacturer in the world, our broad lines of high-performing agricultural machines provide farmers with the exact solutions they need to drive sustainable outcomes on the farm. The leadership and innovation behind AGCO's global brands are reflected in the many awards they receive across our industry.

				
				
<p>Customers know they can count on Fendt for the highest quality, most technologically advanced, and most efficient equipment available, on or off the farm. Fendt's innovations provide the performance and profitability that farmers and others need to succeed while operating sustainably.</p>	<p>Grain and 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. Cimbria®, GSI®, AP®, Cumberland® and Tecno® drive productivity for customers globally through smart and reliable grain and protein solutions to ensure food security, sustainability and animal welfare.</p>	<p>Massey Ferguson offers a straightforward and dependable experience that provides 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 the equipment needed to get the job done. Massey Ferguson has been a trusted partner of farmers through 175 years of innovation.</p>	<p>AGCO's rapidly growing portfolio of precision-agriculture product lines, led by the Precision Planting brand, is a leader in the industry, offering growers high-return-on-investment technologies designed to manage and reduce inputs while increasing yield and protecting soil health. And because Precision Planting technologies can be installed on existing equipment from any major vendor, Precision Planting offers farmers an effective way to improve the performance and profitability of the equipment they own today.</p>	<p>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.</p>

Pioneering clean tech for agriculture

An important part of reducing farm emissions is reducing the impact of agricultural machinery. We are taking a holistic approach to driving down machinery emissions in order to reduce the “tailpipe” emissions that are a significant contributor to climate change. Our innovation-based strategies for decarbonizing our products include developing battery electric tractors and other alternative propulsion solutions; enabling the use of alternative fuels; and increasing machine efficiency through better design, added intelligence and precision technologies. Through these and other paths, AGCO is embedding sustainability into state-of-the-art machine design, in order to help farms transition to ever-cleaner energy.

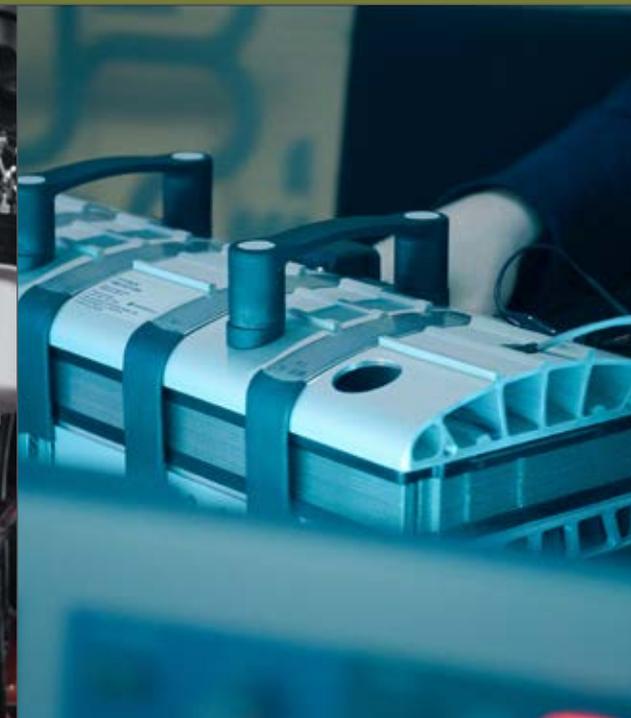


“AGCO will bring new products to the market over the coming years with higher efficiency powertrains resulting in lower greenhouse gas emissions.”

Kelvin E. Bennett

Senior Vice President, Engineering

INNOVATION-BASED STRATEGIES FOR DECARBONIZING OUR PRODUCTS



Renewable fuels and hybrid solutions for combustion engines		Fuel cell electric solutions		Battery electric solutions	
<p>The energy density of liquid fuels in combination with highly efficient combustion engines (AGCO CORE engine family) is essential to power large agricultural machines like combine harvesters or high horsepower tractors. Sustainable fuels can be produced from bio-based feedstock (bio-fuels e.g. hydrotreated vegetable oil) or by using renewable electricity (e-fuels, e.g. OME) to replace fossil diesel. It is also possible to use renewable gaseous fuels in combustion engines, e.g. biomethane or hydrogen. Electric hybridization can further increase vehicle efficiency by means of energy recuperation and temporary zero emission operation.</p>		<p>Fuel cells directly produce electricity (e.g. from hydrogen or other energy carriers) to power electric drivetrains with high efficiency. Fuel cell systems are usually combined with (relatively small) battery storage to allow dynamic load changes, balance peak loads and recuperate energy during braking.</p>		<p>The traction drive as well as all other machine functions are powered directly from a large on-board battery. Electricity can also be provided to implements and enable highly efficient operation and precise process control. Energy from the electrical grid as well as directly from the farm (e.g. solar, wind) can be used to charge the batteries.</p>	
<p>e.g. CORE engine, Biomethane Concept, 48 V Mild Hybrid</p>	<ul style="list-style-type: none"> + Best energy density + Fast refill - Efficiency - Local emissions 	<p>e.g. Helios fuel cell Concept, H2 Agrar Project</p>	<ul style="list-style-type: none"> + Fast refill + Low weight - High space claim - Logistics and infrastructure 	<p>e.g. e100 battery tractor, Xaver field robot</p>	<ul style="list-style-type: none"> + Best efficiency + Low energy cost - High weight - Slow recharge
HIGH HORSEPOWER		MID HORSEPOWER		LOW HORSEPOWER	

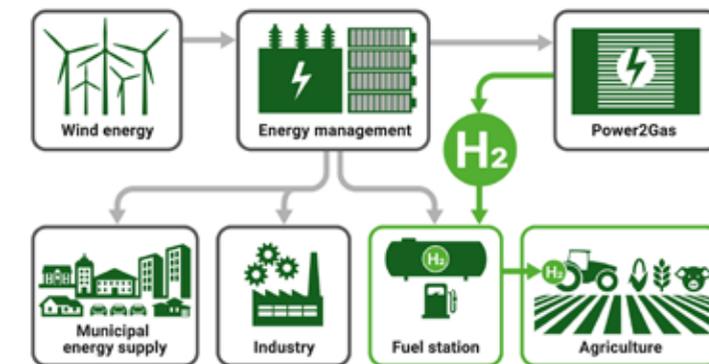


The much-anticipated e100 battery-powered tractor is on track to launch in 2024, a year ahead of schedule.

The Fendt e100 battery-powered tractor

Helping farms to move to zero-emissions equipment will provide a significant contribution in the effort to combat climate change. In spite of the many technical challenges and the investment involved in developing and manufacturing a machine that can meet the intense demands of a compact farm tractor while operating entirely on battery power, we are on track to launch our much-anticipated e-tractor in 2024, a year ahead of our original schedule.

This premium compact tractor has been undergoing extensive testing on farms, where it has proven itself fully capable of handling all the tasks, and using all the standard implements, of a diesel powered machine. We expect the initial markets for the Fendt e100 Vario will include livestock, specialty crop, and municipality applications where emissions are already tightly regulated. In the coming years, we anticipate more farms will be turning to electric tractors for increased energy efficiency, to take advantage of on-site-generated solar and wind power, and to operate with lower emissions at the farm level.



Hydrogen fuel-cell tractor

Battery-powered electric tractors are not the only possible route to zero-emissions farms. Various technologies will be required to meet a wide variety of farmers' needs. Fendt has been developing a tractor concept powered by fuel cells, which produce electricity from hydrogen stored in onboard tanks. Unlike battery-powered machines, which need at least an hour or more of down time to recharge after several hours of use, fuel-cell-powered tractors can be refueled in minutes, making them an attractive zero-emissions option in applications calling for extended continuous use. The biggest challenge to fuel-cell vehicles is the current lack of infrastructure for producing, transporting, storing and refilling hydrogen. To help find ways to overcome that obstacle, AGCO is a major partner in the H2Agrar project. H2Agrar is working with farmers to explore and test approaches to hydrogen infrastructure in farming operations, all the way from green energy production to machinery use. The project received the DLG 2022 Agrifuture Concept Award.²

² <https://www.fendt.com/int/h2agrar-model-project-receives-dlg-agrifuture-concept-aw>

Greater fuel efficient machines

For the next several years most farms will remain dependent on tractors and other equipment powered by internal combustion engines. That’s why AGCO is continually developing innovative technologies that drive greater fuel-efficiency and lower emissions even while delivering top performance and productivity.

AGCO tractors are a consistent leader in the field in fuel-efficiency within their respective power classes, according to independent testing.³ These efficiencies stem from innovations in almost every component of the tractor. For starters, AGCO’s engines have been designed, and are continually redesigned and refined, for reduced fuel consumption, without compromising their ability to deliver the power and reliability that farmers count on for the toughest tasks. All of our engines are designed to run on lower-emission renewable diesel fuel—for example, all Valtra tractors manufactured in Suolahti, Finland, ship with renewable diesel (hydrotreated vegetable oil) as the first fill fuel—and we are also developing models that can run on alternative fuels such as biomethane. To further the opportunities for reducing emissions via biofuel and other diesel substitutes, we are building a new alternative-fuels research lab in Linnavuori, Finland, that will open in 2024.

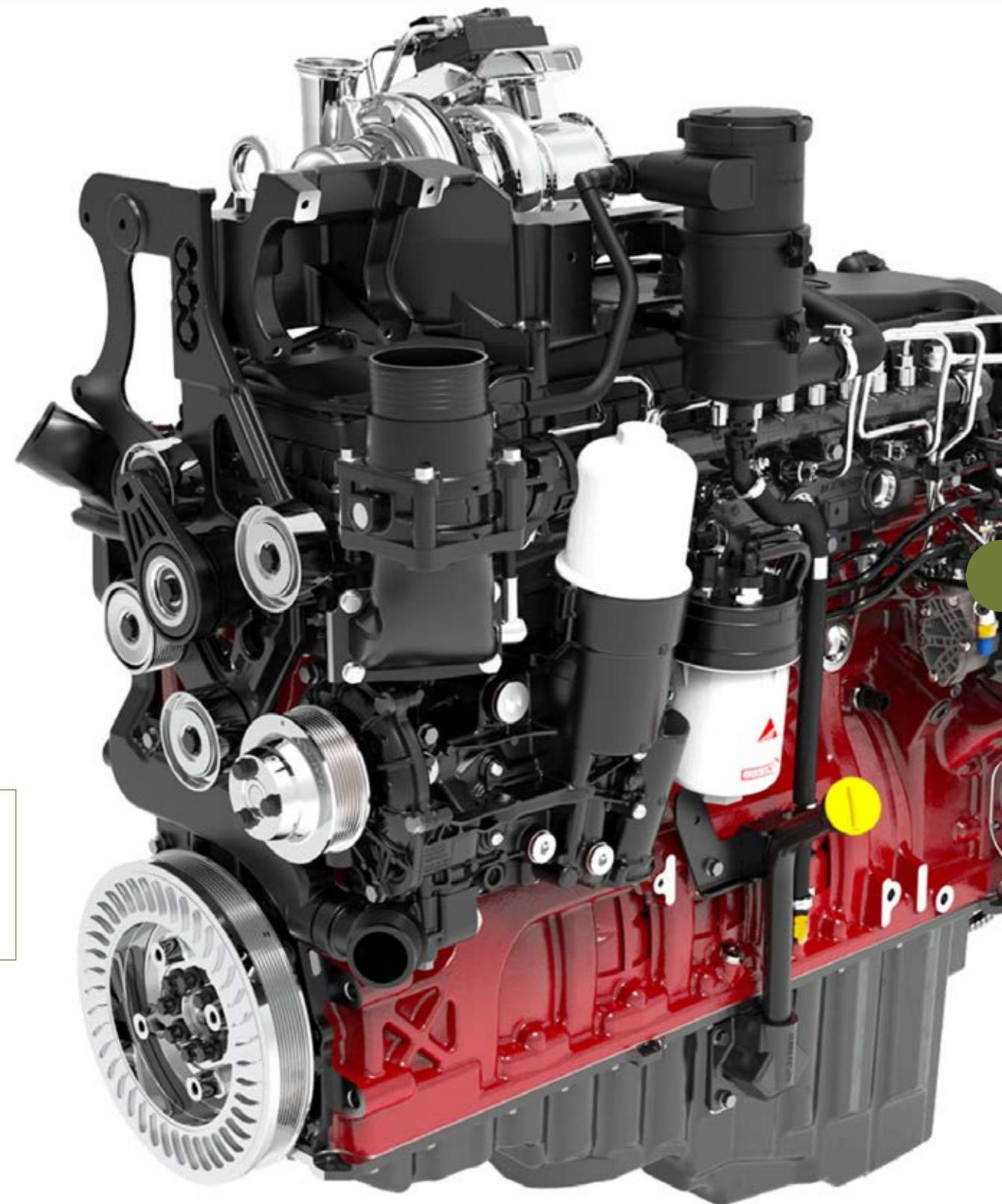
Our new Fendt 700 Vario Gen7 tractor is equipped with our AGCO Power CORE75 engine, a highly advanced, and the newest “ground up designed”, engine in the world. One that includes a flexible platform designed with alternative fuels in mind. Alternative-fuel AGCO machines are already being deployed in the field. For example, Menhammar Farm in Sweden is partnering with Valtra and local distributor Lantmännen to significantly reduce the farm’s emissions by

running all of the farm’s tractors on hydrotreated vegetable oil produced from recycled fats such as protein-production waste and frying oil.⁴

Fuel efficiency and reducing emissions go beyond the engine. A significant amount of energy is lost as power makes its way from the engine to the tracks or tires, as well as to the attached implements, via the transmission. AGCO’s continuously variable transmissions are renowned in the industry for their efficiency, minimizing energy losses and delivering a reduction of as much as 10% in fuel consumption. In addition, our transmissions and many other components incorporate higher-strength, lighter materials that reduce the tractor’s weight, for additional fuel savings.⁵ We are also experimenting with hybrid powertrain designs that pair a smaller, efficient internal combustion engine with battery power, for further reductions in fuel consumption without the need for external charging or for compromising on power. All AGCO equipment meets Europe’s toughest emissions and safety standards, and exceeds standards in the rest of the world.

In Finland, AGCO is collaborating with Business Finland and the University of Lappeenranta (LUT) to co-research future energy technologies and electrification. As a member of the Sustainable Industry X cluster in Finland, Valtra is partnering on innovation and knowledge exchange to advance industry performance and best practices.

Our AGCO Power CORE engine is built on a flexible platform designed with alternative fuels in mind.



³ Fendt is industry leading with the lowest average fuel consumption in the High Horse Power Segment (Nachhaltigkeit bei Fendt | Hochqualitative and Innovative Produkte) also tested by the independent association DLG through the DLG PowerMix test simulating typical use of a tractor. (press release DLG Test Fendt 942 Vario)

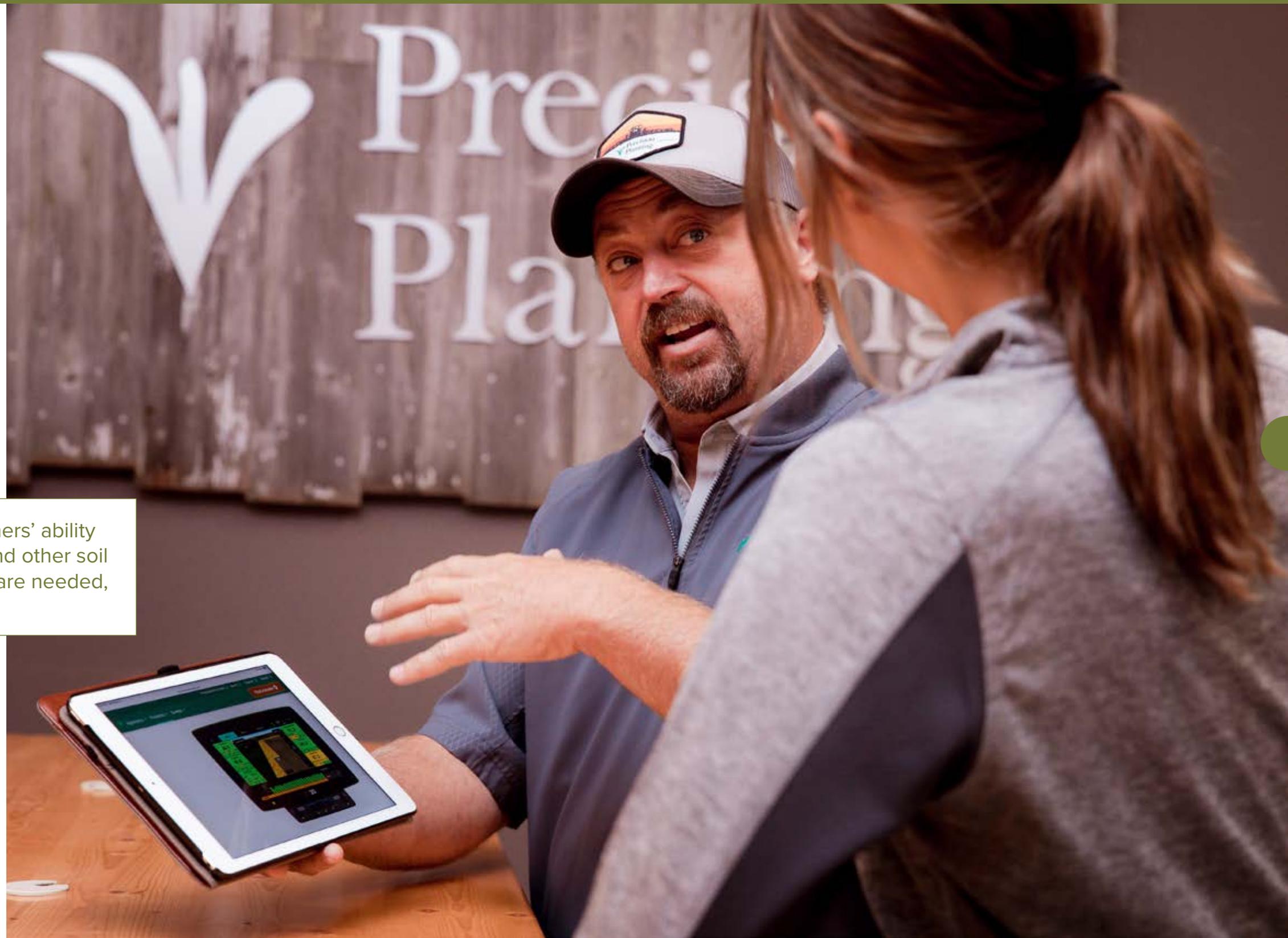
⁴ <https://www.soyagroup.com/en/stud-farm/menhammar-leads-the-way-with-renewable-solutions/>

⁵ Fendt has the best in class CVT (2nd Gen) the Vario CVT that saves customers up to 10% fuel consumption. (Nachhaltigkeit bei Fendt | Hochqualitative and Innovative Produkte)

Precision agriculture

AGCO is constantly pursuing a triple-win for farmers: maintaining or enhancing yield to address food security by producing more for less; improving farmer profitability; and minimizing environmental impact. Achieving those wins goes well beyond the operation of the farm equipment itself. Much of the opportunity lies with farmers' ability to precisely place seeds, fertilizer and other soil and crop inputs exactly where they are needed, in exactly the right amounts. The results have a significant impact on farming sustainability, by reducing inputs, improving soil health, increasing the efficiency of farming operations, and maximizing yields without increasing the energy and emissions needed to achieve them. Many of our leading precision technologies are provided both as factory installed OEM solutions as well as through retrofit solutions that upgrade the performance of existing farm equipment from any major manufacturer. In these and other ways, AGCO's precision agriculture products provide farms with the means to profitably improve sustainability.

Significant opportunity lies with farmers' ability to precisely place seeds, fertilizer and other soil and crop inputs exactly where they are needed, in exactly the right amounts.



Bringing maximum precision to farming

AGCO’s precision agriculture product line is led by our Precision Planting brand, and bolstered by several key acquisitions in the past few years, including our acquisitions last year of Appareo and JCA Technologies. Our precision products optimize planting, fertility application and weed-control operations. Adding precision and smart technologies to these processes improves soil health, reduces inputs, saves energy through more efficient use of machinery, improves yields, and promotes carbon sequestration. Carbon sequestration beneficially traps carbon by increasing biomass in the soil and reducing its breakdown. Increasing crop yield promotes soil biomass, as do practices such as planting cover crops, high carbon-to-nitrogen-ratio crops, and perennial crops; no-till, strip-till, and reduced-till farming; and banding nitrogen fertilizer in the root zone instead of broadcasting it on the soil surface.

In research trials on our experimental farms, and in real-world-evidence studies on our customers’ farms, we’ve documented a 20% to 30% reduction in the inputs needed to maximize yields with our precision products. Ultimately, providing more precise and effective positioning of lowered levels of inputs leads to less energy and less cost needed for every calorie’s worth of food harvested. Decreasing the levels of applied nitrogen also reduces the amounts of escaped nitrogenous gases, which can be up to 300 times more damaging to climate than CO₂. That’s a triple win, increasing profitability, improving sustainability, and supporting agriculture in addressing the growing global crisis of food insecurity. Put simply, AGCO’s precision technologies produce more food for less inputs and greenhouse gases compared to traditional farming practices.

ENVIRONMENTAL BENEFITS OF EACH PRECISION AGRICULTURE CATEGORY					
	EMISSIONS	SOIL HEALTH	WATER	BIODIVERSITY	YIELDS
<p>Planting</p> <p>Our Reveal row cleaner, real time soil sensor, Smart Firmer, and FurrowForce closing systems, offer optimal seed placement with minimum soil disturbance. The results are better germination, even emergence, and better utilization of seed. Our Momentum planter equipped with these Precision Planting components optimize no-till operations. Our systems can also monitor soil levels of moisture and of organic matter, which improves the soil’s ability to hold water and nutrients.</p>					
<p>Fertilizing</p> <p>Our Conceal precision fertilizing technology places nitrogen into the root zone. Compared to the conventional technique of “broadcasting” fertilizer on top of the ground, precision placement increases plant utilization of the nutrients, allowing for reduction in overall fertilizer usage. Combining our precision fertilizing technology with strip tillage can cut fertilizer costs by as much as 20%, and in some cases reduce the need to for additional fertilizer passes.</p>					
<p>Spraying</p> <p>Precision Planting this year introduced a new line of technologies: Symphony Nozzle Control, Symphony Targeted Spray, and ReClaim. These technologies bring the same level of intelligence and precision to the sprayer that the brand has brought to planting and fertilizing over the last 30 years. The technologies enable sprayers to efficiently and precisely target weeds, significantly optimizing and reducing wasted input.</p>					

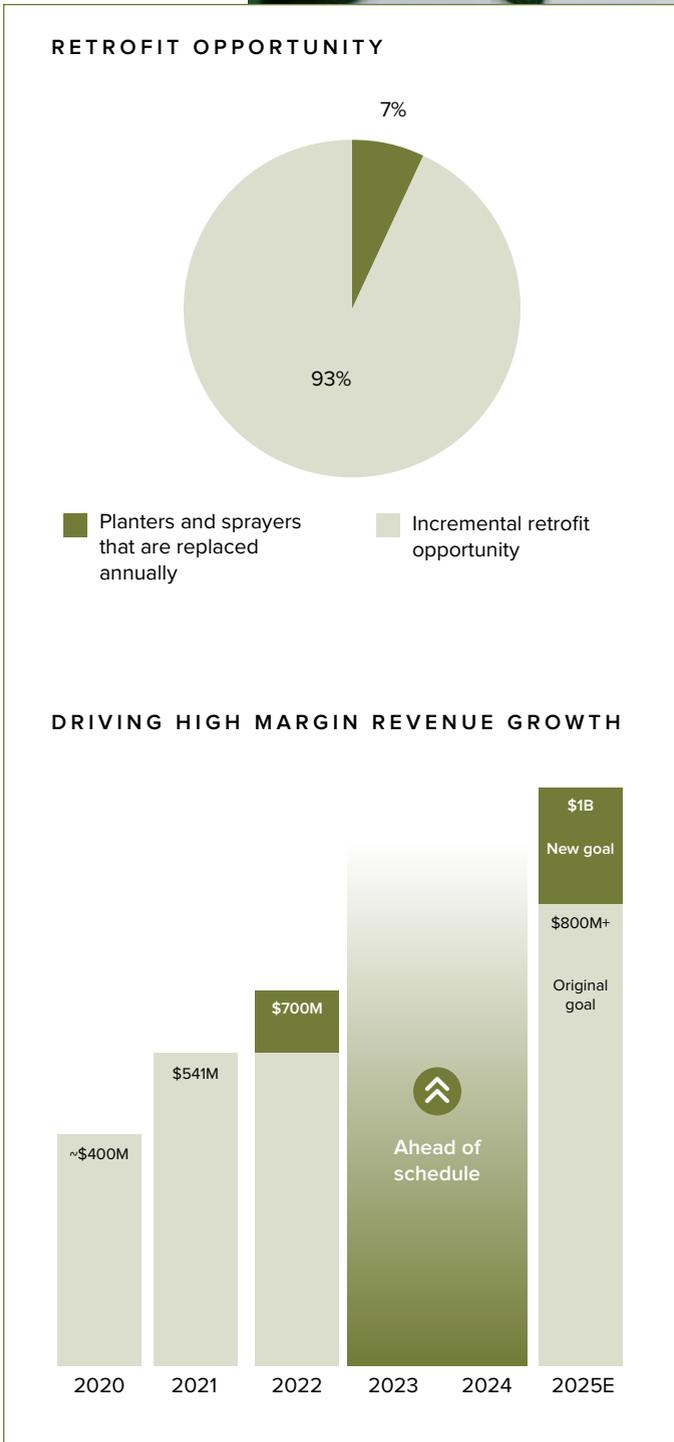
⁵ Fendt has the best in class CVT (2nd Gen) the Vario CVT that saves customers up to 10% fuel consumption. (Nachhaltigkeit bei Fendt | Hochqualitative and Innovative Produkte)

Our retrofit-first approach

In an effort to accelerate the accessibility and adoption of precision agriculture technologies, AGCO has adopted a retrofit-first approach to new product introduction. Only 7% of planters and sprayers are replaced each year on farms. That means 93% of the potential market for precision agriculture technology is not investing in new equipment during a given crop year. AGCO has aggressively pursued this far-larger market through the strategy of designing its precision products to serve as retrofit performance upgrades to existing equipment, regardless of manufacturer. That's our retrofit-first strategy. AGCO's precision agriculture products are also available as factory installed OEM solutions on many of our planters, sprayers and other implements, as well as on those of manufacturers across the industry.

Enabling farmers to upgrade existing equipment with state-of-the-art precision tools brings them all the sustainability and bottom-line benefits of those tools, at a fraction of the cost of all-new equipment. In other words, our retrofit-first strategy supports our broader Farmer-First strategy. What's more, enhancing the product lifecycle brings the broader sustainability benefit of saving the materials and energy costs associated with manufacturing and shipping all-new equipment.

To further leverage our leadership in the precision agriculture market, we have been expanding our offerings to touch all parts of the crop cycle, from tillage through grain storage, covering seeders, planters, spreaders, combines and more. Our new products are emerging both from innovation within Precision Planting and our other brands, and through acquisitions and investments in companies, such as our acquisition of harvesting-solutions company Headsight, and our investment in precision-spraying company Greeneye. Other recent acquisitions include Appareo Systems and JCA Technologies, while our other investments include those in Apex.AI and OptiFarm.



Digital tools and smart farming

Sustainable and profitable farming has become deeply intertwined with digital technology. The ability to collect and make use of data, and to add intelligence to and automate tasks and decisions, is increasingly important for farmers who want to maximize yields, lower costs, and protect the land and environment. Increasingly, smart farming is sustainable farming.

AGCO is at the forefront of industry progress in giving farmers the smart tools they need to thrive. To achieve and maintain that leadership, we have developed a technology solutions stack that addresses the three key opportunities for digital innovation: smarter machines, leveraging connected data, and enhancing the customer experience. We are continuing to build on this leadership through ongoing innovation, and through investments such as our acquisition last year of equipment-control company JCA Technologies, which provides us with key enabling technology for future autonomous operation of our vehicles and other machinery. And because we apply our retrofit-first strategy to smart farming, we're enabling farmers to reap the benefits of enhanced technology without having to replace old equipment with new.



With a strong value proposition for farmers, AGCO now has more than 52,000 connected machines in the field.

Connectivity

There are a vast number of variables that can be important to improving farm efficiency, yields and sustainability. Many of the relevant measurements are in the ground, others are in the plants, some relate to the weather conditions, while others are tied to the machinery itself. Enabling the collection of all this data is a critical first step. However, taking advantage of the data requires sharing it between machines, with farm-management software, and with the growing number of sophisticated services available through the cloud. To that end, we are building some of the most connected machines in the industry, along with the advanced software and services to best leverage the resulting databases. In all, 79% of the AGCO production agriculture fleet retained in 2022 is connected.

We also offer the FendtONE farm-operations management software system. Launched last year, FendtONE provides a consistent interface for both on- and off-machine operations, seamlessly integrating real-time operations with planning and decision-making through the entire crop cycle.

To help farmers get the most out of their connected machines and software, AGCO operates Fuse, a leading global open platform for digital farming products. Fuse provides the communications protocols needed to integrate data from AGCO sensors, equipment and office tools into a single network. That network can then be further integrated with data from Fuse-enabled devices and key farm management software providers. The resulting overarching network can incorporate everything from real-time weather and market data to real-time data from sensors in the field to historical local crop information, in order to plan optimal operations and even control machinery in real time, from pre-planting decisions through to harvesting.

The integration of data from different equipment and software manufacturers on AGCO machines is enabled by our partnership with the Agrirouter data exchange cloud service. Agrirouter is a manufacturer-neutral platform that can share data among farms, information services, and even food companies as well as many leading farm-management software systems.

Once a farm and its equipment are tied into an integrated network, the opportunities for increasing profitability and sustainability through telemetry data are endless. Whether it's managing the machines in the fleet or analyzing idling times and monitoring machine performance, AGCO's telemetry tool 'AGCOConnect' can help provide the answers. With a strong value proposition for farmers, AGCO now has more than 52,000 connected machines in the field.

There's another important benefit to connected machines: telemetry-based preventive maintenance that can help avoid unplanned downtime during critical times of the season. AGCO's connected machines can monitor components for vibration, excessive heat or other signs of a potential pending problem, and automatically relay an alert to operators, farm managers, and AGCO dealer support specialists. That heads-up can enable a farmer and their chosen dealer to schedule preventive maintenance before an equipment issue becomes urgent and serious, with any needed parts ordered in advance, minimizing equipment downtime and avoiding severe interruptions to operations. AGCO is continually advancing its ability to use telemetric data to predict maintenance needs, to keep farms running as smoothly as possible, while pursuing a goal of nearly eliminating disruptions of critical operations due to equipment downtime.

Intelligent machines and automation

Many of the challenges farmers face can be addressed by adding intelligence and automation to farm equipment. For starters, it allows doing more with fewer people, helping to ease the ongoing labor shortage in agriculture. It improves operator performance, enabling operators to perform time-critical tasks and further improving the performance of experienced and less experienced operators alike. It makes farming operations more efficient and precise, lowering costs, improving output, reducing fuel consumption and emissions, and protecting soil health. It also provides opportunities to gather a vast array of field data that can be applied to machine guidance, leveraged for improving the next pass or the next season.

With intelligent operator-guidance features such as Valtra's SmartTurn and Wayline Assistant, and Fendt's TI Headland and VarioGuide Contour Assistant, equipment can automatically keep to optimal paths, minimizing distance traveled and number of passes, avoiding obstacles and hazards, and reducing soil compaction, while also easing operator burden. AGCO precision planters, sprayers and other implements also benefit from intelligence, with sensors that allow continuously varying downforce, spray rates and other variables to match changing conditions in the field. The results reduce input, optimize yields, and avoid overspraying and spray drift that can affect the surrounding area. Many of these tools are available as retrofits to existing equipment.

AGCO precision planters, sprayers and other implements also benefit from intelligence to match changing conditions in the field.



“Our retrofit-first and connectivity strategies enable farmers to optimize their farming operations with the latest precision technology and solutions.”

Seth H. Crawford
Senior Vice President and General Manager,
Precision Ag and Digital

Soil health

Modern agricultural practices are making farmers more productive than ever. But the growing threat of climate-change-related extreme weather events such as droughts and floods raises challenges. Not only is ensuring farmlands' resilience and adaptability in the face of climate change essential to farming profitability, it's also critical to global food security.

AGCO is committed to supporting farmers in becoming ever-more-effective stewards of their lands. Healthy soil that is rich in nutrients is productive soil, and can serve to keep carbon harmlessly trapped within instead of releasing it to the atmosphere as carbon dioxide. That's why we consider preserving soil health and related carbon sequestration as one of our four pillars of sustainability. Through our products, technologies, research and outreach, we can help farmers protect soil by reducing compaction and disturbance, optimizing nutrients, maintaining moisture, reducing erosion, and promoting carbon sequestration. The results can help preserve farmlands and the environment, keep farms thriving, and enable farmers to feed the world.

How our products help protect soil

One of the biggest challenges to protecting farm soil is avoiding soil compaction—the compression of soil that takes place as equipment crosses the field. Every time a tractor and its implements travel down a row, the weight presses down, causing compaction. Plants don't grow as well in compacted soil, with yields potentially falling by as much as 50%. What's more, compaction compromises the soil's ability to drain, making it more vulnerable to both flooding and drought. Waterlogged or dry soil, in turn, leads to even lower yields, and is more likely to erode.

One important way to reduce compaction is to reduce the number of passes made by equipment over a given area, and to minimize the area over which the equipment travels. AGCO's smart-farming technology and precision tools help on both counts. With intelligent guidance and sensing, our tractors and combines enable hewing to the most efficient paths possible, shortening routes and minimizing turns.



To further reduce compaction, many of our Fendt series models can automatically lower tire pressure to allow the tires to slightly spread out as they contact the ground, more widely distributing the machine's weight, and reducing the pressure on the soil. And because our precision tools place seeds, fertilizer and other inputs exactly where they're needed for optimal outcomes, they can often reduce the need to apply additional inputs in later passes.

Reducing or even eliminating tillage can be helpful to soil and the environment, too. By breaking up the soil, tillage can worsen erosion, remove the protective residue from previous crops, disrupt needed organic matter and microorganisms, and release carbon dioxide. And plants adapt to firmer, untilled soil by becoming more resilient. Our DeltaForce and Row Cleaners are among our precision tools that support reduced-till and no-till farming by neatly slicing through residue and firm, untilled soil in order to place seeds and other inputs at the ideal depth, while preserving the surrounding soil's integrity and organic-matter content.

More and more farms are turning to reduced- and no-till techniques to protect soil health, and AGCO has been committed to supporting and even accelerating that trend not only with our products, but also with research, education and outreach. We measure the benefits of reduced tillage in trials at our experimental farms, as for example in a series of studies we conducted that found that reducing tillage can lead as much as a 36% increase in crop yield and up to a 14% reduction in farming costs. We leverage our research findings to provide information and demonstrations promoting optimal practices at our facilities, at agricultural events, and in online media. We also help farmers adopt best practices in residue management and cover crops, which can further advance soil health and carbon sequestration.

Carbon sequestration partnerships

One new way we are supporting our farmers is by partnering with companies offering carbon farming programs to connect our machines and data so that farmers can more easily monetize the adoption of regenerative agriculture practices such as reduced tillage.

A growing number of carbon-credit registries reward farmers for sequestering carbon through changes to farming practices. Companies offering carbon farming programs typically require participating farmers to input years’ worth of their farming-activity data, frequently by manually entering it on a registry website, a time-consuming and error-prone process.

AGCO has been partnering with a growing number of carbon farming programs to automate the data-entry process for farmers, saving them time and ensuring they get the credits they’ve earned. The process is automated by connecting farmers’ machines to a farm management information system. The majority of all AGCO machines available today are connected as a standard or optional feature, a capability first introduced in 2010.

Precision Planting last year launched Radicle Agronomics™, a powerful set of new soil sampling and soil-analysis tools designed for use by agronomists across the globe.

Radicle Agronomics

Soil characteristics such as organic matter, vital nutrients, moisture, and more can vary from farm to farm, across a single farm from point to point, and over time at any one point. That’s why farmers rely on soil testing, typically performed by professional agronomists. But soil testing can be an imprecise science. Because testing techniques are complex, labor intensive, time sensitive, and error prone, results for a given sample can have as much as a 35% error. To provide farmers with repeatable, reliable, and timely soil nutrient level results, AGCO’s Precision Planting brand last year launched Radicle Agronomics, a powerful set of new soil sampling and soil-analysis tools designed for use by agronomists across the globe.

Radicle’s technology revolves around its pioneering Radicle Lab, the world’s first fully automated soil laboratory. A self-contained, small-footprint, self-calibrating unit, Radicle Lab can produce accurate results in minutes, and complete hundreds of samples entirely unattended. When combined with Radicle’s soil collection and spatial-tagging technology GeoPress™, Radicle’s suite of tools revolutionizes soil sampling and testing, enabling farmers to have greater visibility into the return on investment of their fertility program, increasing profitability, supporting healthier soils, maximizing yields, and enhancing erosion-resistance and carbon sequestration.





Composed of leading experts from outside AGCO, our Expert Advisory Animal Welfare Panel bring diverse, independent perspectives to AGCO’s animal-welfare strategy.

Addressing animal welfare

Expert advisory animal welfare panel

In 2022, we took several significant steps to strengthen the scope and impact of our Expert Advisory Animal Welfare Panel (the Panel). Established in 2021, the Panel brings together an array of experts to meet at least twice a year, in order to advise AGCO on how our product solutions can help to improve animal health and welfare in animal-raising operations while supporting productivity and profitability. Composed of leading experts from outside AGCO, the Panel bring diverse, independent perspectives to AGCO’s animal-welfare strategy.

Last year we convened the Panel together in person for the first time, with the goal of creating a preliminary set of animal welfare product development priorities by species group. In species-specific workshops panel members were able to share their knowledge and experience of various aspects of supporting animal health and welfare, including customer pain points, key welfare issues, and the challenges of measuring animal health and welfare.

The Panel discussed the key health and welfare issues for each species group, and how AGCO should focus its development of technology solutions to meet animal welfare needs. The Panel reviewed AGCO’s product development efforts and plans, and identified opportunities to offer customers a greater range of solutions to support animal health and welfare needs.

We examined the overall protein value chain to understand key value-chain participants, their motivations and current initiatives underway to improve animal welfare. We also solicited feedback from the Panel on new product ideas, and on our strategic direction and approach. The results provided a strong foundational understanding of how we can develop new precision solutions to meet evolving animal welfare requirements.

We believe AGCO can contribute to animal health and welfare by:

- + Expanding our product portfolio offering to meet an evolving range of animal welfare expectations
- + Supporting an aligning of interests between integrators and growers to ensure implementation of animal welfare best practices
- + Enabling customers to measure performance against new key welfare indicators (KWIs)
- + Improving industry collaboration through trade associations to underscore farming’s commitment to animal welfare and to communicate that commitment to the public.

In 2023, we will continue to work with the Panel to help better align our product roadmap with external KWIs, and to identify internal KWIs that can guide us in maintaining that alignment.

Improving productivity and welfare

We envision a day where improved animal well-being is synonymous with increased performance. That's why we're developing an ecosystem of smart solutions giving customers better insights, improved welfare and increased profits. Scout is the world's first ceiling suspended robot that monitors broiler chickens and their environment. It uses a complete set of sensors to measure thermal comfort, air quality, light and sound. Scout can detect what farmers can't see by using artificial intelligence and an onboard smart camera. This gives our customers a head start to correct potential issues before they become a bigger problem. Our EDGE 2 controller enables swine and poultry producers to monitor and manage feeding, watering and climate in their barns. Producers have 24/7 access to real-time information to quickly identify issues and optimize their operation. We've also invested in OptiFarm, which uses proprietary software and a team of experts to help livestock farmers create the best environment for their animals. OptiFarm's system improves farm performance and animal well-being by monitoring natural behavior to recommend the best possible conditions for livestock health, welfare and safety. This ecosystem of animal-related precision-technology reinforces our focus on delivering industry-leading smart farming solutions that improve both animal welfare and farmers' profitability.

OptiFarm monitors animals to gather data on their behavior, and then enlists advanced analytics to recommend ways to adjust the environment to improve animals' health, welfare and safety.



Understanding customers' regulatory concerns

In order to gain a deeper understanding of customers' expectations, hopes and concerns with regard to animal-welfare regulation, we conducted a survey among U.S. poultry and swine growers. The survey revealed several insights:

- + Growers expect increased animal-welfare regulation over the next two years
- + They see regulation as being better for other players in the value chain than for themselves. Specifically, they predict customer prices will increase by 42%, but expect to capture 15% or less of that increase
- + Growers are uncertain about the impact of increased regulation on operating expenditures
- + Requirements to measure and report welfare metrics, and associated audits, are seen as the key drivers of increased grower costs
- + Growers currently tend to think about welfare metrics at a general, abstract level, rather than in terms of specific metrics
- + They name high investment costs and unfavorable economics as their biggest concerns when it comes to implementing welfare metrics.

It is critical that our product roadmap reflect these expectations and concerns, so that we can support animal welfare and our customers' productivity in the most impactful way possible.



Research

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 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 turn it into a reality.

The impact of our innovation efforts is reflected in our portfolio of more than 5,000 national and regional patent rights, protecting more than 1600 inventions. In 2022, AGCO filed patent applications for another 197 inventions, a new yearly high that comes from the ongoing organic growth of our research and innovation activities.

We maintain a robust research and development program that works closely with farmers to actively determine what the future of sustainable farming will look like.

Future Farms and Precision Technology Institute

We conduct extensive agricultural research at our dedicated research and demonstration facilities, the Precision Technology Institute (PTI) in Pontiac, Illinois, and at our Future Farms in Switzerland and Zambia. Bringing our research teams and agronomists together with farmers, our work at these facilities explores, validates and demonstrates new practices and technologies aimed at meeting farmers' most pressing current needs.

In 2022, we had approximately 200 agricultural research studies ongoing worldwide, most of them at our Future Farms and at PTI. Many of these studies are multi-year projects, and most of them are relevant to sustainability. The studies we do cover a wide range of topics with practical implications for farmers, addressing everything from the relative benefits of different techniques for applying phosphorous to crops, to the efficiency of robotic planters, to the impact of planting depth on yield. When the studies are complete and the resulting data analyzed, we disseminate the results to the farming community through online publication, agricultural events, social media and other means.

Increasingly, the emphasis at our Future Farms and at PTI is on finding ways to make high-yield, profitable farming ever more sustainable. Many of our research trials are focused

on reducing inputs, minimizing tillage and soil compaction, increasing energy efficiency, and eliminating waste, along with improving yields and profitability. For example, we have been running a long term corn tillage study that offered interesting insights this year. After 5 years of applying different tillage programs, we are now seeing a turning point in the data with the no-till program returning the highest economic return. This may indicate that it could take at least 5 years to transition from conventional tillage to no-till to setup high yields.

Educating farmers globally

Through the summer of 2022, PTI held field days for farmers and industry experts from around the world, drawing more than 1,500 attendees from eight countries. Delegates were able to view some of our latest agronomy trials in the field, ranging from equipment comparisons and sustainability trials to water recycling and irrigation techniques. One recent focus of some of the studies is the different rates and placement of fertilizer, to determine ways to reduce fertilizer inputs while maintaining or increasing yield and profitability. Delegates could also access hands-on demonstrations of our latest planting and spraying technologies, which boost efficiency and sustainability, as well as the latest grain storage and drying technology from our GSI brand.



Research partnerships

We further support the search for new ways to make farming more sustainable, productive and profitable—and thereby to increase food security throughout the world—by establishing and maintaining partnerships with leading agricultural research institutions. Massey Ferguson is supporting multiple cutting-edge research projects at UniLaSalle Polytechnic Institute, for example. With a special focus on integrating agro-economic considerations into the technological development of our future generations of machines.

Our projects at UniLaSalle include those that study the interactions between the tractor, precision technologies and the soil, exploring how varying the speed, depth, pressure and other variables in seeding impacts the final yield and overall production costs. Other studies examine the traction assistance of semi-mounted implements, with an eye to optimizing the needed tractor power. The findings of these studies will help us to develop machinery employing new technologies and techniques that can address some of farmers' biggest challenges.

In March 2022 Valtra organized an international Hackathon in cooperation with the University of Applied Science Jyväskylä (JAMK) in Finland. The event brought together start-ups and established players in smart farming technology and data science with one goal: identify concrete opportunities for generating value for farmers through data-based learning and software. Seven ideas made it to the Hackathon finals and the winning idea has advanced to a proof-of-concept stage.

Another partnership is the SOLGRAS project, which operates under a government grant through 'Grønt Udviklings- og Demonstrations program (GUDP), and in which we are collaborating with SAGRO and Aarhus University. SOLGRAS focuses on developing a decision-support process to optimize driving in the field during harvesting of sedge grass. The goal is to optimize yield

Research findings help us employ new technologies and techniques to address some of farmers' biggest challenges.

and efficiency, while avoiding soil compaction. European studies have shown that compaction from heavy, intensive driving in plain grassland can result in a yield loss of as much as 74%. Managing traffic in the field, in contrast, can result in as much as a 20% yield gain, which corresponds to 550 million additional bushels of sedge grass per year in Denmark alone. The benefits of optimized driving also include reduced fuel consumption.

AGCO Power, too, is engaging in a number of research partnerships. One is the Clean Propulsion Technology research consortium, an effort led by the University of Vaasa to develop radically new solutions for clean and efficient off-road transport. The Green Factory project, which includes partners Aalto University, The University of Oulu, VTT Technical Research Center of Finland, and several other companies, is intended to help companies reduce the environmental impact of their operations and products. The Black Carbon Footprint project has us working with universities and government to develop metrics for tracking the problem of soot in the air and qualifying its impact on climate change. And we are running a fuel cell, engine and emissions testing program with research institution VTT.

AGCO is part of the Mobima e.V. research consortium in Germany investigating future electric drive systems, as well as tractor-implement systems that integrate machine learning. Other partnerships include 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; and a collaboration with Robert Bosch GmbH, BASF Digital Farming GmbH and Raven Industries Inc., to evaluate spraying technology that can reduce crop input costs while advancing sustainability.



Financing farmers’ transitioning to sustainable solutions

For farmers, the journey to sustainable farming requires commitment and know-how. It also requires investment in new machinery, precision technologies and new practices to facilitate and advance that journey.

AGCO Finance, our joint venture with De Lage Landen, is providing the tools, research, outreach and the know-how as well as innovative financing to help with the investment needed from the farmer by making more capital available to transform farming. Through innovative financing solutions, specifically designed for farmers who are moving toward sustainability, AGCO Finance is bringing the needed tools and practices within reach of more farms.

The AGCO Finance €50 million Climate Journey Fund was created in 2021 to make attractive financing options available to farms and farming-related ventures that embrace sustainable farming practices. As of 2023, AGCO Finance is increasing the Climate Journey Fund to €100 million. The goal is to do as much as possible to facilitate financing for eligible farms and businesses transitioning from conventional to organic produce, engaging in net zero value chains, or aspiring to obtain market access via sustainable certification. Included in scope are more than 60 different international and domestic food certificates. The Climate Journey Fund is already having an impact. Among the early beneficiaries are an organic farmer in Tuscany, a potato grower in the Netherlands, an organic vegetable farmer in Spain, and an organic winery in New Zealand.

As of 2023, AGCO Finance is increasing the Climate Journey Fund to €100 million.

To further support the advancement of climate-aware agriculture, AGCO Finance has partnered with some of the world’s largest issuers of certificates of food security, traceability, and sustainability. And is expanding its relationships with growers inside approved food labels and carbon farming programs.

In 2022, AGCO Finance continued its thought leadership series by publishing five reports on biodiversity which drill down into the links between biodiversity and productive, sustainable and resilient farming, managing compliance and productivity, improving biodiversity, measuring biodiversity and most importantly, understanding the farmers’ perspective.

AGCO’s relationship with over 160,000 growers across 25 markets presents an attractive opportunity for institutional and multilateral organizations interested in supporting agriculture’s climate transition. In 2022, AGCO Finance also increased loan originations with the European Investment Bank and is continuing to explore blended finance opportunities across its network, especially outside of Europe.





ENVIRONMENT

Decarbonizing our operations and products

WE HAVE BEEN WORKING to embed sustainability into many aspects of our business. That means providing customers with products and services that help them meet their sustainability goals, managing the impacts of our supply chain to improve sustainability from beginning to end, and enhancing our own operations. We made substantial progress in 2022, and although we have much further to go in this journey, we now have the strategies and processes in place to advance at a more rapid rate.

Our GHG Accounting is aligned with the GHG Protocol, so that we report our emissions across three scopes: Scope 1 and 2 are emissions associated with our operations, and Scope 3 addresses emissions associated with our value chain.

We made substantial progress in 2022, and although we have much further to go in this journey, we now have the strategies and processes in place to advance at a more rapid rate.

Scope 1 and 2 emissions

2022 was the first year we collected energy and emission data for all sites globally, through expanded use of AGCO STAR, our ESG data management tool. The effort spanned all manufacturing sites, which we continue to report separately for target tracking purposes, as well as our warehouses, assembly facilities, offices and training centers.

Our emission sources vary across the different types of sites, but most of our emissions originate from our manufacturing operations, predominantly from electricity and natural gas. Other emission sources include district heating, and liquid fossil fuels such as diesel, biodiesel and fuel oils used for research and development, testing processes and on-site transportation.

While our production volumes have increased, total emissions from our manufacturing sites have decreased by 5% and 10% compared to 2020 and 2021, respectively, due to targeted decarbonization actions.

As a result of our activities, we exceeded our Scope 1 and 2 target three years ahead of schedule by reducing the emissions intensity of our manufacturing operations by 31% compared to our 2020 baseline.

This progress is due to targeted efforts to decouple our emissions from financial growth through adoption of energy-efficiency measures, and by increasing the use of renewable energy.

Implemented energy efficiency projects include LED lighting systems retrofit, HVAC system improvements, reduction of baseload energy use and replacement of inefficient equipment.

Our renewable energy target is to reach 60% across our manufacturing operations by 2026 compared to a 2020 baseline. In 2022, we increased our renewable energy use to 36% and our renewable electricity to 63% by using a combination of region- and market-specific opportunities such as green supply contracts, unbundled energy attribution certificates and installing on-site solar generation.

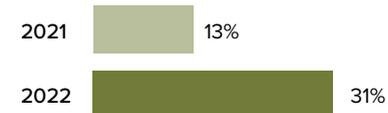
RENEWABLE ENERGY USE



RENEWABLE ELECTRICITY USE

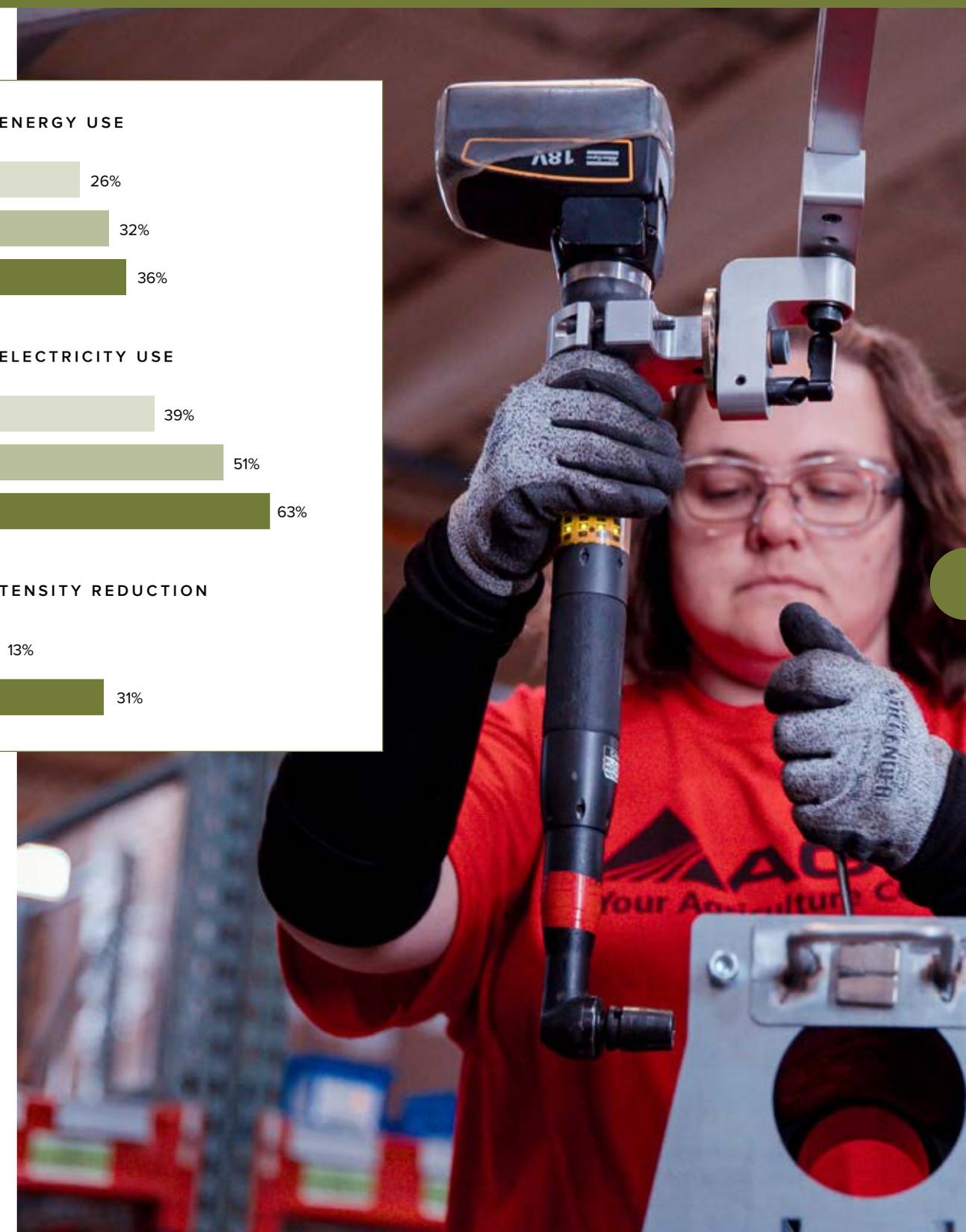


EMISSION INTENSITY REDUCTION



Scope 1 and 2 greenhouse gas emissions				
	Manufacturing			Complete Portfolio
	2020	2021	2022	2022
Scope 1 (tCO ₂ e)	50,269	58,342	62,073	80,618
Scope 2 location-based (tCO ₂ e)	91,287	99,280	83,197	91,508
Scope 2 market-based (tCO ₂ e)	50,259	47,953	33,731	41,803
Total Scope 1 and 2 market-based (tCO ₂ e)	100,528	106,295	95,804	122,421

“Manufacturing” includes our 33 manufacturing sites in 2022. “Complete portfolio” includes manufacturing sites, warehouses, assemblies, offices and training centers and company car fleet, and excludes dealerships. We continue disclosing “Manufacturing only” emissions separately for comparability and progress tracking, and are committed to improve data quality and coverage of all of our other sites included in “Complete Portfolio” emissions.





We are introducing various industry 4.0 electric technologies including autonomous mobile robots.

Energy conservation and efficiency

We look for every opportunity throughout our facilities and operations to conserve energy, move to cleaner energy, and reuse materials. We set up the Green Growth Initiative to fund and empower manufacturing leadership to accelerate the execution of energy-efficiency projects.

Under the Green Growth Initiative, approximately 75% of our manufacturing sites have installed or are in the process of installing LED lighting. We are also evaluating high-efficiency equipment, including heat pumps, boilers and compressed air systems with heat recovery, and more efficient laser cutters and welders under this initiative.

We started to roll out electric tractor-trailers to transport components on-site in our North America facilities, and are introducing various industry 4.0 electric technologies at many of our sites including autonomous mobile robots.

Our approach to identifying and assessing opportunities for reducing our Scope 1 and 2 operational emissions is embedded in our in-house-developed energy-conservation support toolkit, called QUEST, (Quick Energy Savings Tools). Comprising a suite of 25 evaluation tools, QUEST allows each facility to systematically identify, analyze, calculate payback and execute energy efficiency projects.

Areas covered by QUEST include (but are not limited to):

- + Lighting systems retrofit
- + Process heating and cooling
- + Compressed air systems
- + Heat recovery
- + New building construction

QUEST ensures alignment across initiatives and regions, while supporting development of the efficiency and conservation projects under our Green Growth Initiative. It enables comparability between initiatives and sites, supports decision-making, and builds up a best-practice library for sharing among locations.

The QUEST approach includes setting up a “Green Leaders Team” at every site, consisting of representatives from a variety of functions who can own responsibility for exploring, assessing and championing energy-conservation opportunities. We have already established Green Leaders Teams at just over half our manufacturing sites, and expect to have the rest on board in 2023.

As an example, Valtra has been heavily investing in upgrading its manufacturing and logistics facility in Suolahti, Finland, with special attention being paid to increased energy-efficiency and the use of renewable energy. The site has sharply lowered its greenhouse gas emissions, with most of the energy used at the site now coming from renewable sources, including hydroelectric power and heat produced from biofuels. On-site vehicles and other engines run on renewable diesel, which is produced from renewable waste raw materials.

Another example: Fendt developed a renewable-energy transition strategy that aims to reduce its combined Scope 1 and 2 emissions across its German sites and the Suolahti Valtra site in Finland by more than 50% by 2030 compared to 2020. The strategy included transitioning to 100% green electricity, and implementing a range of energy-efficiency measures, including upgrading to LED and new lighting-control systems, refurbishing building heating systems, and using well water for cooling. Coupled with the use of energy-saving technologies in the manufacturing process, the efforts resulted in energy savings of more than 7 GWh in 2022.

Navigating Europe's energy crisis

In response to the energy crisis in Europe, we established a regional, cross-functional working group to evaluate the trends and impacts to AGCO. The process included assessing our current energy-consumption patterns, dependencies and risks, and identifying solutions to reduce our reliance on natural gas and improve our energy independence. As a result, we have been reducing the use of natural gas in multiple European sites. We are lowering electricity consumption by reducing our use of compressed air, eliminating compressed air leaks, exploring heat-recovery solutions in paint shops, conducting on-site solar feasibility, and improving building insulation. We are replacing gas boilers with all-electric and hybrid electric/gas boilers, and installing more all-electric heat pumps. In our manufacturing sites in Germany we have reduced natural gas consumption by 10% compared to 2021, while still increasing production.

Increasing the use of renewables

In 2022, we made good progress against our renewable energy target. All eight of our Brazilian sites now use 100% certified renewable electricity. One of our largest manufacturing sites in the U.S., in Jackson, Minnesota, and our site in Beloit, Kansas, switched to 100% renewable electricity in 2022. Together these two sites represent approximately 25% of our North American manufacturing electricity consumption. All together, 17 of our 33 global manufacturing sites were running on 100% renewable electricity by the end of 2022.

Our Ibirubá site in Brazil installed a carport solar-power system, expected to deliver 5% of the site's electricity consumption. Two of AGCO's largest Grain and Protein sites in North America and our Austrian Grain and Protein site in Stockerau are implementing on-site solar-power purchase-agreement solutions, set to be operational in 2023.

Fleet management

Our owned and leased car fleet represents a considerable portion of our Scope 1 and 2 operational emissions. During 2022 we established a fleet baseline and started to implement initiatives to reduce fleet GHG emissions. We are developing actions and priorities based on regional specifics and potential energy-reduction impacts. Our fleet strategy includes reducing available engine size options for combustion engine vehicles, and encouraging drivers to select hybrid or electric vehicles where available by increasing the monthly allowances for lower-emission engines.

We are prioritizing electric vehicles in regions with developed electric vehicle infrastructure and a large portion of renewable electricity in the national grid mix. In other regions we are prioritizing hybrid vehicles.

We are planning to conduct a driver survey in 2023 to better understand vehicle use cases and the interest in transportation alternatives to driving a car to work, including electric bikes and public transportation passes.

In total, 17 manufacturing sites are now using 100% renewable electricity and six sites have installed solar panels.



Driving down our value chain emissions

Scope 3 emissions are increasingly in the spotlight as companies seek to reduce emissions throughout their value chain. Scope 3 emissions typically represent the majority of a company's emissions—especially in the manufacturing sector.

In alignment with our efforts to decarbonize our operations and products, we undertook a Scope 3 inventory assessment and emissions calculation effort in 2022. We calculated emissions across 15 upstream and downstream categories. Our greatest areas of emissions fall within category 1 (purchased goods and services) and category 11 (use of sold products). This assessment will inform our approach to establishing a long term decarbonization roadmap in the future.

Scope 3 emissions

Scope 3 category	2022 (tCO ₂ e)
Purchased goods and services	5,640,383
Use of sold products	19,562,638
Upstream and downstream transport and distribution	2,264,107

While we are still defining our strategy and roadmap, several Scope 3 emission reduction initiatives were already in place or were introduced in 2022. Read more about this effort in ['Pioneering clean tech for agriculture'](#) and the ['Transport and logistics innovation'](#) section. See also our reporting in reference with the [GRI Standards](#) later in this Report.



Transport and logistics innovation

AGCO has been continually optimizing its global logistics network to reduce GHG emissions. Efforts include implementing advanced track-and-trace systems to give us more visibility across our network so that we can optimize routes, and reduce packaging waste. By the end of 2022, we had completed more than 23 logistics emissions-reducing projects, along with 20 projects that enhanced packaging safety.

One way we can improve sustainability in our supply chain is to reduce vehicle emissions associated with delivery of parts to our factories and distribution centers. That's what we've done in our South American operations, where our logistics team has successfully piloted an emissions-reduction project with the participation of supplier Coopercarga. The project uses eight electric and eight gas-powered trucks—about a fifth of the inbound logistics fleet—for deliveries, with the potential to reduce emissions

by 480 tons of CO₂ annually. In 2022, we formalized an agreement with a regional partner to add electric vehicles to our North American operations in 2023.

Being geographically closer to suppliers cuts energy, too. We have been especially active in building a robust local supply chain in South America for a number of key components used by our manufacturing facilities there. A prime example includes partnering with a local tire producer to enhance their capabilities to supply tires for the tractors we manufacture in South America, a rapidly growing market for AGCO.

We have long transported tires from suppliers in Asia, but South America has all the natural resources needed to produce them locally, including rubber and coke. We have been working closely with local suppliers to help establish the equipment, processes, know-how and workforce training needed to produce to our high standards. Where we do ship materials over longer distances, we are finding ways to develop lighter and more space-efficient shipping solutions in order to cut down on the energy needed per unit for transportation.

Decarbonizing our products

Addressing the emissions associated with the use of our products is critical if we are to minimize our greenhouse gas emissions footprint. We are putting focused resources into exploring various approaches to emission reduction pathways, such as abatement through electrification, efficiencies, adoption of other zero and low carbon powertrains and zero and low carbon fuels, as well as smart automation to optimize in-field use. Read more about this effort in the ['Pioneering clean tech for agriculture'](#) section.

BRAZIL
Mogi das Cruzes
 —
 Massey Ferguson
 and Valtra
 AGCO POWER engines
 Massey Ferguson
 and Valtra transmission

**AGCO Reman
 centers of excellence**

Many of the major components in our tractors across our brands, from electronics to engines to hydraulics, are available as remanufactured items with the same warranty as equivalent new items. In recent years, we have significantly expanded our Reman program to cover 13 unique commodities, and expanded the range of components under the program to include transmissions, differentials and hydraulic valves. We have also expanded the number of machine models supported by Reman products, and last year we opened a new Reman center of excellence at our facility in Mogi das Cruzes, Brazil, to support business growth in the South America region, taking our total number of Reman centers to five.

In partnership with the French Technical Center for Mechanical Industries (Cetim), and UniLaSalle Polytechnic Institute, and with the support of agricultural Innovation Pole Beauvais Rev'Agro, Massey Ferguson is partnering on a project to enlist sustainable agriculture in manufacturing tractor body parts. The result was the development of a Massey Ferguson MF 8S tractor-hood concept produced from flax fibers and a petro-sourced resin. Use of the flax fibers, sourced from crop byproducts from the textile industry, offers a potential reduction of greenhouse gas emissions of 82% over the entire cycle of hood production. The hood concept was exhibited at the SIMA agricultural exhibition in Paris in November 2022, and Massey Ferguson is currently exploring how to industrialize the concept.

FINLAND
Suolahti
 —
 Massey Ferguson
 and Valtra
 transmission and PTO

FINLAND
Linnavuori
 —
 Fendt, Massey Ferguson
 and Valtra engines and
 fuel injection equipment

GERMANY
Marktoberdorf
 —
 Fendt, Massey Ferguson
 and Valtra CVT
 transmissions

FRANCE
Beauvais
 —
 Massey Ferguson 8s
 transmission

**Circular economy
 and remanufacturing**

Remanufacturing equipment

The reuse of manufactured items is a cornerstone of sustainability. Remanufacturing is a process where previously used assemblies are stripped down to the last nut and bolt and inspected to see which component parts are still within the original tolerance and specification to rebuild an 'as new' unit. Our remanufactured products are tested to the same rigorous safety, quality, and efficiency standards as our new products. Remanufacturing saves natural resources, including raw materials, energy and water.





ENVIRONMENT

Product stewardship

Built for quality, performance and safety

Farmers need to know they can count on their machines to deliver high performance day after day, season after season, under demanding conditions. That's why we build our products for unrivaled quality and performance, a commitment that extends across every step of the manufacturing process from design through sourcing components through production and delivery. At every step we set up quality gates to ensure that nothing moves on until we're sure it meets the highest standards.

To raise the bar even higher, in July 2022 we launched an enhanced product integrity review (PIR) process, which aims to identify, understand and address the root causes of issues that emerge in the field. This structured process focuses on transparent discussions of why an issue may have occurred, and on applying continuous improvement methodologies to learn from every experience, including sharing the learnings across all sites, and developing permanent solutions to problems. The PIR process will help us do even more to avoid potential failures that may impact our customers.

There's a reason our tractors and machinery continue to earn accolades for quality and performance throughout the industry, including in independent testing against competitive models. With advanced design features ranging from automatic tire-pressure control, to our CVT transmissions with flat-face couplings to prevent hydraulic oil leakage, to our innovative AGCO Power CORE75 engine, our tractors are designed and built to be among the highest-performing, most reliable, most fuel-efficient machines in the industry.

Customer safety

Our Farmer-First commitment doesn't end when our machinery is delivered to the farm. One way we extend that commitment is by reaching out to improve safety and well-being in farmer communities through our SMART Safety campaign. Working closely with the Farm Safety Foundation in the UK, we have enlisted best practice research to identify key areas of farm safety to form the four pillars of the campaign: visibility, fatigue, attitude and all-day every-day safety.

To support these pillars with outreach we developed useful resources and guides on safety that are accessible through both the AGCO parts and service website as well as via our global brand websites.

Among the safety-boosting practices we emphasize:

- + Regularly cleaning the windshield and installing a reversing camera
- + Taking care around the tractor's power take-off shaft
- + Working cautiously near overhead power lines
- + Learning to recognize the symptoms of operator fatigue
- + Promoting awareness of stress that the challenges and complexities of running a farming operation can bring forward.

Listening to the customer

In 2022, we established a dedicated Customer Experience Center of Excellence (CX COE) team. This new team actively engages customers to enable customer-driven continuous improvement, with a laser focus on customer loyalty. We now use our customer satisfaction score as an internal key performance indicator that feeds back into our ability to improve customer experience and develop new generations of products that anticipate evolving future needs and solve customer challenges.

Engagement and research

Delivering exceptional customer experiences that reinforce our brand promises is a cornerstone of our Farmer-First strategy. In support of this aim, our CX COE team continues to expand its efforts to fully understand the voice of our customers and more directly connect that to our product development processes. We engage with customers through one-on-ones, panel sessions and survey research. From our frontline teams to our Leadership, we prioritize meeting and listening to farmers throughout the year.

Some engagements of note in 2022 included:

- + Our Leadership collaborated with our dealer partners to facilitate discussions with farmers
- + Farmer panel discussions held at our worldwide leadership meeting
- + We partnered with our dealers and farmers to test out new ideas for products, leading to design changes
- + Our agronomy team facilitated panels that brought together farmers and dealers with our Leadership on a quarterly basis.

Sustainability survey research of note in 2022 included:

- + We integrated sustainability topics into our global 'moment of truth' (MOT) survey to better understand farmers' perspectives on climate change, regenerative agriculture practices and challenges and opportunities
- + We completed a survey of customer attitudes and pain points related to animal welfare.





S O C I A L

AGCO employees are united by our shared commitment to the world’s farmers. We are proud of the impact we’re making for farmers, each other, and our communities.

+ EMPLOYEE HEALTH, SAFETY AND WELL-BEING	38
+ GLOBAL WORKFORCE	40
+ DIVERSITY, EQUITY AND INCLUSION	43
+ COMMUNITY IMPACT	45



SOCIAL

Employee health, safety and well-being

TAKING CARE OF OUR EMPLOYEES is a top priority, and nothing is more important than their health, safety and well-being. We are driving an awareness of these considerations throughout our operations, setting high standards for employees' protection, and educating and empowering managers and employees to take actions needed to reduce risks. By standardizing these approaches across the enterprise, we can keep raising the bar on health and safety outcomes.

Our FOCUS 2.0 safety program includes a 40-step roadmap detailing actions required to build a solid foundation for a strong safety culture. It includes key elements from benchmark safety leaders and is used as a guideline for sites to develop their detailed annual improvement plans.

Our global safety strategy has three focus areas. The first addresses the physical environment of our workplaces and uses a detailed risk-assessment approach to identify and mitigate physical hazards. This preventive approach helps provide us with a thorough understanding of the environment in which our employees, visitors, and contractors operate on a daily basis, so that we can ensure it is safe.

The second is centered on behaviors and mindset. Our behavior-based safety training defines the roles and responsibilities of our leadership teams when modeling the proper behavior to their site teams. It explores the ways in which leaders need to think, lead and manage differently in order to ensure they set the highest safety expectations. Behavior-based safety training has started in our South American operations and in several European sites, and is scheduled to be expanded into other sites globally in 2023.

To ensure our leaders recognize the importance of safety as the foundation of a positive employee experience, we begin all global leadership calls with a safety update in which we share our progress in improving safety performance, and provide updates on the key actions being implemented to deliver on our safety goals.

The third area addresses standardizing our processes, tools and systems across our global operations. This includes developing global approaches to contractor management, risk assessments, layered process audits and root cause investigations.

Our FOCUS 2.0 safety program includes a 40-step roadmap to build a solid foundation to create a sustainable safety culture.

Our progress and new targets

In addition to evolving our standards, we have established a new global leadership role focused on the safety of our employees.

2022 was another strong year for reducing our Total Case Incident Rate (TCIR). We exceeded our 2022 goal and lowered our TCIR rate by 14% compared to 2021. That achievement was on top of our 2021 improvement rate of almost 13% against the prior year. For 2023, we have set a stretch global TCIR goal of 1.75, which represents a more than 20% improvement over our 2022 rate. Our underlying goal is zero work-related injuries across our global enterprise.

As part of our 40-step roadmap, we are developing a schedule for embedding ISO 45001 certification across our enterprise. We view ISO 45001 certification as one of the foundational elements that will help to ensure we have a solid base in place to define effective safety procedures, systems and management. While many sites in Europe and South America have been certified over the past several years, our North American operations have only recently started that process. We have outlined a schedule for certification of ten of our most significant operations over the next two to three years, with two sites targeted to become certified in the first half of 2023.

As a reflection of our progress in safety, AGCO received the second-highest report card score among companies in the 'large manufacturing' category of the Churchill Risk Control Awards Program.



“Safety is a responsibility shared by each of our team members. Together, we are making significant progress towards our goal of zero work-related injuries.”

Timothy O. Millwood

Senior Vice President, Chief Supply Chain Officer



AGCO STAR

In 2021, we set the foundation for our ESG reporting through AGCO STAR (Sustainability Tracking and Reporting), powered by Enblon. 2022 saw the global roll out of the metrics module for AGCO STAR, intended to capture global TCIR, as well as of the pilot version of the incident management module. Across AGCO, leaders were nominated to be STAR Leads to champion the program and manage their site's data and reporting.

The new incident management module expands AGCO STAR's impact beyond environmental reporting to support health and safety programs. It empowers AGCO employees to report near misses and incidents that help foster a safety culture and improve safety performance.

The introduction of new AGCO STAR modules in 2022 strengthens our global ESG measurement and data collection processes. Automating data management through AGCO STAR minimizes data quality issues by leveraging one data standard and a single enterprise wide tool. We now have a single, global, centrally managed, multi-platform tool to systemically collect, analyze and report sustainability, health and safety data in a streamlined way, advancing our goals with actionable and auditable data.

Corporate ESG activities are also managed in AGCO STAR, including tracking climate risks, performing GHG calculations, and supporting external ESG reporting.

We are proud to have been named the Sustainable Company of the Year at Enblon's Sustainable Performance Forum (SPF). The award was given for achievements in the sustainability, environmental health and safety, and risk disciplines, as well as for the innovative use of Enblon solutions.





S O C I A L

Global workforce

Cultural transformation

Farmer First, Speak Up! Team Up!

As part of our Farmer-First strategy, we have taken steps to further strengthen and leverage culture as a differentiating factor in our employee value proposition as we compete for talent.

The experiences we offer our employees shape their beliefs; their beliefs drive the actions that deliver our results. In 2022, we established new cultural beliefs that reinforce our shared commitment to farmers, respectful transparency and teamwork.

OUR CULTURAL BELIEFS

Farmer First: I put farmers' success at the center of everything I do.

Speak Up!: I raise challenging topics openly and debate respectfully.

Team Up!: I maximize AGCO results through teamwork and aligned actions.

AGCO is focused on delivering exceptional experiences and results to our farmers, our employees and our shareholders, and our cultural beliefs are a key enabler of that success. We are actively incorporating our cultural beliefs into our talent processes, and empowering our global workforce through training and communication.

Culture champions

A global network of 300 culture champions were identified through self-selection and nomination to play an active role in our cultural transformation.

Our culture champions impact the short and long-term success of our cultural transformation. Selected for their leadership, change agility and commitment to our cultural evolution, the champions represent a wide cross section of locations, brands and functions. Our champions are delivering a customized culture-workshop experience to employees around the world, acting as role models and culture change agents.



“The experiences we offer our employees shape their beliefs. Employee beliefs drive the actions that deliver our results.”

Ivory M. Harris
Senior Vice President,
Chief Human Resources Officer

At a glance

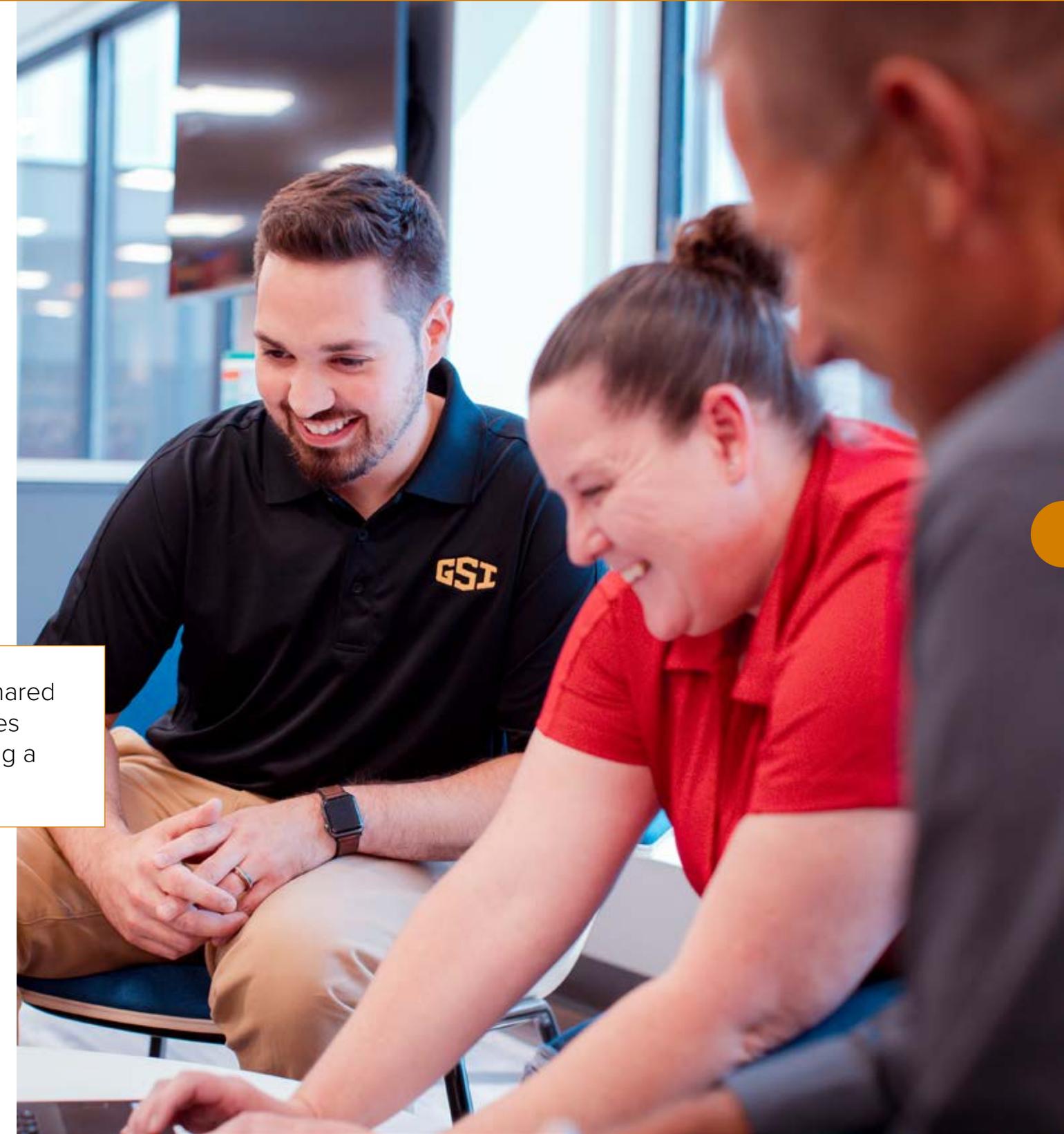
Employee experience and engagement

AGCO invested in new global leads for both employee experience and employee well-being in 2022. These leads are responsible for designing and managing innovative, high-impact employee experience and well-being programs, including our ‘Voices’ engagement survey. Enhancing focus in these areas underscores AGCO's commitment to ensuring a positive, fulfilling experience for our employees, enhancing key moments that matter and fostering ongoing well-being.

Listening to our employees

Nearly 20,000 employees participated in our annual Voices survey in 2022, a remarkable 79% response rate. This was a 17% improvement in response rate from the previous year. The Voices survey process is designed to listen and respond to employee feedback, directing action in those areas of greatest importance to our employees.

The inclusion of all employees worldwide, including our shop-floor employees, allowed us to establish a full baseline and identify the four main drivers of 2022 employee engagement from the data collected: Farmer First, growth and development, communication, and safety. In 2022, our engagement score was 69%, which puts us on track to achieve our 2025 target of 75% engagement.



Question #1

I am proud to work for AGCO or its brands.

Question #2

I would recommend AGCO to people I know as a great place to work.



Question #3

This company motivates me to contribute more than is usually required to complete my work.

Question #4

I rarely think about looking for a new job with another company.

In 2022, 19,684 employees shared their voice in our annual Voices employee survey, representing a 79% response rate.

Talent

Recruitment

Our future success is tightly linked to our ability to attract a talented and diverse set of candidates. To continue to build a pipeline of promising, early-career candidates, we have been expanding our portfolio of programs that introduce university students to a career in agribusiness and AGCO.

One component of our early-career recruitment strategy involves the Acceleration Centers we have established with university partners. Currently established at the University of Illinois, Arizona State University, and North Dakota State University, the Acceleration Centers establish multi-year student internships. Many of these internship students become AGCO employees after graduation.

As part of our effort to enhance the diversity of our workforce, we have launched a scholarship program in conjunction with the AGCO Agriculture Foundation aimed at students from underrepresented groups who have expressed an interest in STEM and agriculture. The program, currently funded for three years, provides selected students with a \$2,000- or \$4,000-per-year scholarship and an AGCO internship.

Our Fendt location in Marktoberdorf, Germany has established its TalentWERK program. The program enables students to alternate between their studies at school and apprenticeship time. During the two-year program, apprentices get a 360° view of the business, working in many areas including manufacturing, warehouse logistics and the materials laboratory. Our Valtra location in Suolahti, Finland has also established a training partnership with the Jyväskylä University of Applied Sciences to identify and develop a pipeline of future talent.



Fendt's TalentWERK program lets students alternate between their studies at school and working as an apprentice.

Development

Bridging the gap between early-career recruiting and development, in 2022, AGCO launched CATALYST, an early-career, new-hire rotational program that develops the high potential talent that AGCO needs for its continued growth and success. These new employees will rotate through a number of business areas to ensure well-rounded exposure and development. After their rotation is complete, employees will be ready to make a significant impact in a dedicated role. Twelve participants were selected for the inaugural class of January 2023.

An additional investment in talent growth and development is the launch of the Leadership Excellence Acceleration Program, or LEAP. This LEAP series provides managers and leaders the opportunity to build skills and prepare for career growth.

LEAP includes five core programs:

- + **Accelerate Your Impact** for high-potential talent
- + **Leadership Essentials** for first-time managers
- + **Driving Results through Leadership** for team managers
- + **Becoming a Strategic Leader** for more senior leaders
- + **Executive Acceleration** for executive succession

These programs consist of 70% on-the-job experience, 20% learning from others, and 10% structured learning. Programs range in length, offering both online and in-person components. Designed and piloted at various points in 2022, LEAP included over 200 participants in its first year.



SOCIAL

Diversity, equity and inclusion

AS A GLOBAL COMMUNITY, we appreciate how our differences help us deliver more innovative solutions for our farmers. In addition to the natural diversity of culture and background stemming from our global presence, we are actively pursuing the policies, programs and resources to build a more diverse workforce and inclusive environment where each individual feels fully supported.

We want each employee to experience a sense of belonging, empowerment and value, regardless of sex, race, age, sexual orientation, ethnicity, disability, gender identity and gender expression, or social origin.

Recognizing the important role diversity plays in sustainable innovation, we are also actively promoting diversity within the agriculture industry.

Employee resource groups support inclusion

Our AGCO Black Professionals Network (ABPN) promotes the advancement and inclusion of Black employees in our organization by addressing several important areas, including recruitment; selection and retention; development; engagement; diversity and inclusion education; and human capital policies and practices.

In 2022, ABPN engaged in a number of initiatives.

Among them:

- + Leading 'Courageous Conversations'
- + Launching an education campaign during Black History Month
- + Celebrating the addition of Martin Luther King Jr. Day to our U.S. holiday calendar
- + Partnering with Minorities in Agriculture Natural Resources and Related Sciences (MANRRS), a U.S.-based, non-profit organization that connects minorities with opportunities in agriculture, natural resources, and related sciences.

Promoting diversity in agriculture

Supporting our commitment to diversity throughout the broader agriculture industry, APBN and the AGCO Agriculture Foundation are partnering with MANRRS to advance opportunities for minority professionals. The Foundation has granted \$80,000 per year for three years to offer scholarship opportunities for internships and to support hiring talent from underrepresented groups.

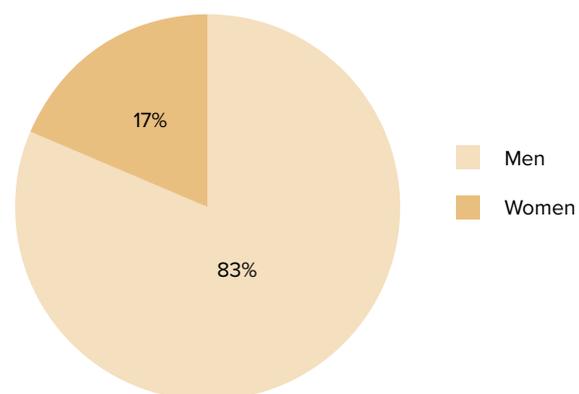
Promoting gender diversity in leadership and STEM

Female career day

In June 2022, 50 female students from the STEM fields of mathematics, information technology and natural sciences, met at the Fendt Forum in Marktoberdorf, Germany, to attend Fendt's third Female Career Day. In addition to networking and knowledge-challenge events, the students participated in workshops on real-life case studies from Fendt's day-to-day operations, and had the opportunity to learn more about career opportunities at Fendt.



2022 EMPLOYEE GENDER SPLIT



Increasing women in leadership positions

We have been making steady progress on our goal of advancing the representation of women in the AGCO workforce, and especially within our leadership team. Women represent approximately 14% of our full-time executive positions at the senior vice president and vice president levels, and approximately 17% of our overall full-time, management-level employees. These figures represent a slight decrease from 18% in 2021.

We are committed to increasing the percentage of female representation in our full-time, management-level employee group and our overall global employee base as we work towards our goal of 25% women in leadership by 2030. We are taking deliberate steps to accelerate continuous improvement going forward.

Among the steps taken to further increase the representation of women in our leadership team:

- + We require diverse candidate slates for leadership positions, targeting 50% gender diversity
- + A global team conducts bi-monthly audits of candidate recruitment and flow in the search process to ensure ongoing diverse talent pipeline development
- + We encourage participation in the AGCO Global Women's Network, a business advisory group dedicated to advancing gender equity through the attraction, development and advancement of women at AGCO
- + Our "Ignite Your Impact" program encourages and supports women entering and advancing in the manufacturing, engineering, and supply-chain fields.

AGCO continues to be engaged in the Board of the Women in Manufacturing Education Foundation. The Board is a nonprofit organization committed to developing programs and resources that further the advancement of women in the manufacturing workforce. Building on our history of being recognized for our female talent, one of our female leaders received the prestigious STEP ahead award from the Manufacturing Institute in 2022.



S O C I A L

Community impact

FARMERS APPRECIATE THE VALUE of community more than anyone. With our Farmer-First perspective, we, too, recognize that doing more for the communities we operate in is one important way we can make a difference. We see our obligation to communities as a global one, and we are continuing to find new ways to satisfy that obligation.



AGCO Agriculture Foundation (the Foundation)

We launched the Foundation during 2018 as a reaffirmation of our dedication to support farmers as they strive to feed the world. The Foundation also demonstrates our support of specific United Nations Sustainable Development Goals aimed at preventing and relieving global hunger, and providing farmer-centric support to farming communities. Through the Foundation, as well as our brand and regional engagement activities, we support a variety of non-profit organizations across the globe.

The Foundation’s three key focus areas involve (i) nutrition and sustainable food systems, (ii) agricultural education, research and innovation, and (iii) community development.

The Foundation is contributing to efforts to fight hunger and reduce climate harm by addressing food waste in the U.K. The initiative is based around the Foundation’s two-year partnership with U.K. charity FareShare, aiming to secure enough food for a million meals while bolstering climate-action mitigation efforts. Food waste contributes 9% of global greenhouse-gas emissions. Reducing that waste can support the food needs of vulnerable households. Every ton of surplus food FareShare and the Foundation redistribute through this project can save as much as 1.6 tons of embedded CO₂, and another 3.8 tons could be prevented from harmful alternative disposal. The Foundation is providing FareShare with a \$300,000 grant for the project.

The Foundation’s new two-year partnership with Heifer Netherlands is dedicated to enhancing sustainable, climate-smart dairy farming in Nepal. Dairy farming is an important source of livelihood for rural people in Nepal, generating both income and nutritional security. But livestock generate high amounts of GHG emissions, contributing to climate change that impacts dairy farmers. The two-year partnership with non-profit Heifer Netherlands will provide outreach to dairy farmers in Nepal to help them learn to adopt feed management and animal husbandry systems that reduce the enteric fermentation causing livestock-emitted GHG, improve the productivity of animals, and sequester carbon emissions through fodder, trees and proper manure management along with clean

energy production using biogas and organic fertilizer. The \$250,000 Foundation funded project will directly help some 100 dairy-farm households and support other stakeholders along the dairy value chain.

In Switzerland, the Foundation is advancing agricultural research and innovation with a focus on non-contact weed control methods in combination with small robots to help increase the sustainability of crop production, prevent soil compaction, and minimize weed emergence. The Foundation’s three-year funded project is providing CHF 195,000 to Bern University of Applied Sciences (School of Agricultural, Forest and Food Sciences).

The Foundation has been active in providing fast responses to support farmers and farming communities during disasters and emergencies, assisting them in their recovery and rebuilding.

In February 2022, a \$50,000 donation to the Kentucky Farm Bureau in USA was made by the Foundation, as part of the relief efforts for farming operations affected by the December 2021 storms in Western Kentucky.

The Foundation donated \$100,000 to the United Nations World Food Programme to provide immediate emergency food assistance in Ukraine and opened a ShareTheMeal team campaign to invite stakeholder donations. Over 32,000 meals were donated through the ShareTheMeal app to the people of Ukraine. The Foundation also donated \$50,000 to the farmer-focused “Borsch” initiative in Ukraine implemented by the Land Club, a local non-profit, to support the purchase of “borsch set” vegetable seeds distributed freely to farmers for the planting season.

During 2022, the Foundation also established an Employee Advisory Board, composed of AGCO employee volunteers from all AGCO regions. The Employee Advisory Board provides advice, insights, and support to help meet the Foundation’s objectives and expand the Foundation’s impact across communities that are close to our employees and farmers.



FRANCE

In support of a cancer-fighting initiative at a local hospital near Massey Ferguson's headquarters in Beauvais, France, we produced and sold honey from our on-site beehives to raise money for the program. We also offered snacks and refreshments to patients arriving at the hospital for chemotherapy.

FINLAND AND CHINA

During the winter of 2022 the AGCO Power teams in Finland and China delivered several power generators for backup power to children's hospitals and medical clinics in Kyiv, Ukraine. The AGCO Power team plans to further support Ukraine's energy infrastructure in 2023.



UNITED STATES

Our North American Grain and Protein team partnered with a community in a RecycleFest to divert polluting waste streams away from landfills.



GERMANY

The Fendt site in Hohenmölsen, Saxony-Anhalt, Germany made available ten apartments for people from Ukraine. Further accommodation is under preparation.



BRAZIL

The AGCO team in Mogi das Cruzes, Brazil, teamed up with the social project "Faça Um Bem Incrível" (Make a Great Good) that preserves the income of small-scale producers by redirecting fresh produce that would otherwise go to waste from supermarkets. In total, the initiative supported more than 20 local food producers and 150 rural workers, and distributed 8 tons of vegetables to more than 1,400 local families.

AUSTRALIA

The Massey Ferguson team in Melbourne continued its support of Collingwood Children's Farm by providing a new tractor, further strengthening a partnership that began in 2013. The farm is a not-for-profit working farm providing much-needed greenspace for inner-city children.



Engaging local communities

Here are a few highlights of how AGCO stepped-up and made a difference in local communities.

Responsible sourcing

Supply chain risk management

Embedding sustainability and ESG criteria in our purchasing decisions and in our management of suppliers and commodities is one of the strategic priorities of AGCO's 2025 Purchasing Strategy. To help with that effort we are using the EcoVadis platform to assess the performance of our suppliers, based on their management processes, policies and data on energy and carbon, human rights and labor, ethics, sustainable procurement practices, and other ESG related issues.

The assessment process involves gathering, validating and scoring supplier data through the EcoVadis platform. We are utilizing the data and the platform to support the development of supplier-engagement strategies, to formulate and track supplier ESG targets, and to facilitate corrective actions for suppliers that fall short of our expectations. In 2022, we launched EcoVadis with our 500 largest tier 1 suppliers by spend and we plan to expand the effort to other tier 1 suppliers in the coming years.

The insights gained through the EcoVadis platform will be utilized to identify best practices that can be shared to improve performance, to identify critical gaps as well as current and future risks to our supply chain, and to define development plans to ensure supply chain stability and compliance. We also hold various supplier events at which we emphasize the growing importance of sustainability to our purchasing strategy and present an annual sustainability award to a supplier that merits the recognition.

In addition to the EcoVadis ESG assessment, we are also analyzing risk in our supply chain to reduce the chances of supply-chain disruption and to improve resiliency.

As part of this effort we are establishing new sourcing principles for our critical components. In the past, our suppliers-selection has largely been based on commercial considerations. Now we are looking to work with suppliers with which we can establish closer, trusting relationships, that lead to improved sustainability and innovation.

We continue to leverage many of the lessons we and so many other manufacturers learned over the initial years of the COVID-19 crisis about the need to maintain supply-chain early-warning monitoring, and emergency disruption-response teams and processes. Even as we continue to build more resilience into our supply chain to reduce the risk of disruptions, we are maintaining our readiness to respond to unexpected crises with preplanned mitigations.

Human rights

AGCO regards adherence to human rights standards within its supply chain as a critical aspect of responsible sourcing. By acting responsibly in collaboration with our suppliers, we aim to minimize risks and create stable, long-term business relationships with our partners.

AGCO is informed and guided by the principles set out in the following international standards:

- + UN Declaration of Human Rights
- + UN Guiding Principles on Business and Human Rights
- + The International Labour Organization's Fundamental Conventions
- + OECD guidelines for multinational enterprises.

We believe responsible supply chains must respect people and human rights, promote good agricultural practices, provide viable livelihoods, reduce environmental impacts, respect animal welfare, and produce safe products. AGCO's Supplier Code of Conduct extends the principles into our supply chain and sets expectations for our supplier partners.

Within our Supplier Code of Conduct, we require suppliers to respect the human rights of their employees and the communities in which they operate as well as to comply with all relevant legislation, regulations and directives in the countries in which they operate. Suppliers must prohibit the use of forced labor and child labor and respect labor rights including non-discrimination, non-harassment and the right to collective bargaining.

We are currently undergoing a detailed risk assessment to determine specific category and country human rights risks for our key commodities and reviewing our Supplier Code of Conduct, governance and complaints processes to ensure they comply with industry best practice and evolving legislation.

Conflict minerals

We reach out annually to our suppliers to determine the origins of tin, tungsten, tantalum, and gold included in our products. This outreach extends down through as many as ten tiers of the supply chain as we work with our suppliers to ensure we have a safe, sustainable, and ethical supply chain. AGCO is a member of Responsible Minerals Initiative, which promotes the use of certified smelters, and we are a member of the Smelter Engagement team within the Responsible Minerals Initiative, which focuses on contacting smelters to encourage them to become certified.





GOVERNANCE

Sustainability strategies are only successful when supported by sound governance.

+ SUSTAINABILITY OVERSIGHT	50
+ BOARD STRUCTURE, DIVERSITY AND TENURE	52
+ ENTERPRISE RISK MANAGEMENT APPROACH	53
+ ETHICS AND COMPLIANCE	54
+ CYBERSECURITY AND DATA PRIVACY	55



GOVERNANCE

Sustainability oversight

Board accountability

AGCO 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 and the Committees of the 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.

In 2022, our Board established a Sustainability Committee to aid the Board in overseeing the Company’s sustainability strategy, policies, goals and risks. The Committee is constituted by three Board members and, in order to fulfill its responsibilities, under its charter, the Committee does the following:

- (a) Considers and provides input to management and the Board on the Company’s policies, strategies and practices related to environmental matters namely climate change, greenhouse gas emissions, natural resource management, waste and environmental opportunities
- (b) Reviews the Company’s policies, strategies and practices related to workplace safety and human rights

- (c) Considers and provides input to management on environmental (including climate change) and sustainability trends in public debate, public policy, regulation and legislation

- (d) Reviews the Company’s shareholder engagement program and investor sentiment related to the Company’s environmental and social footprint and activities and provides feedback on the Company’s public reporting and disclosure on sustainability topics.

The Sustainability Committee met twice during 2022, in July and December, and represents a significant enhancement of our sustainability oversight and governance activities aligning with best practices and further demonstrating our commitment to ESG.

The Sustainability Committee has a formal calendar with scheduled meetings three times yearly. In addition, the full Board is provided with a sustainability update at one Board meeting each year.



“The establishment of a Board-level Sustainability Committee is a significant milestone as we accelerate our progress on social, environmental and sustainability initiatives.”

Roger N. Batkin

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

Executive-level responsibility for economic, environmental and social topics

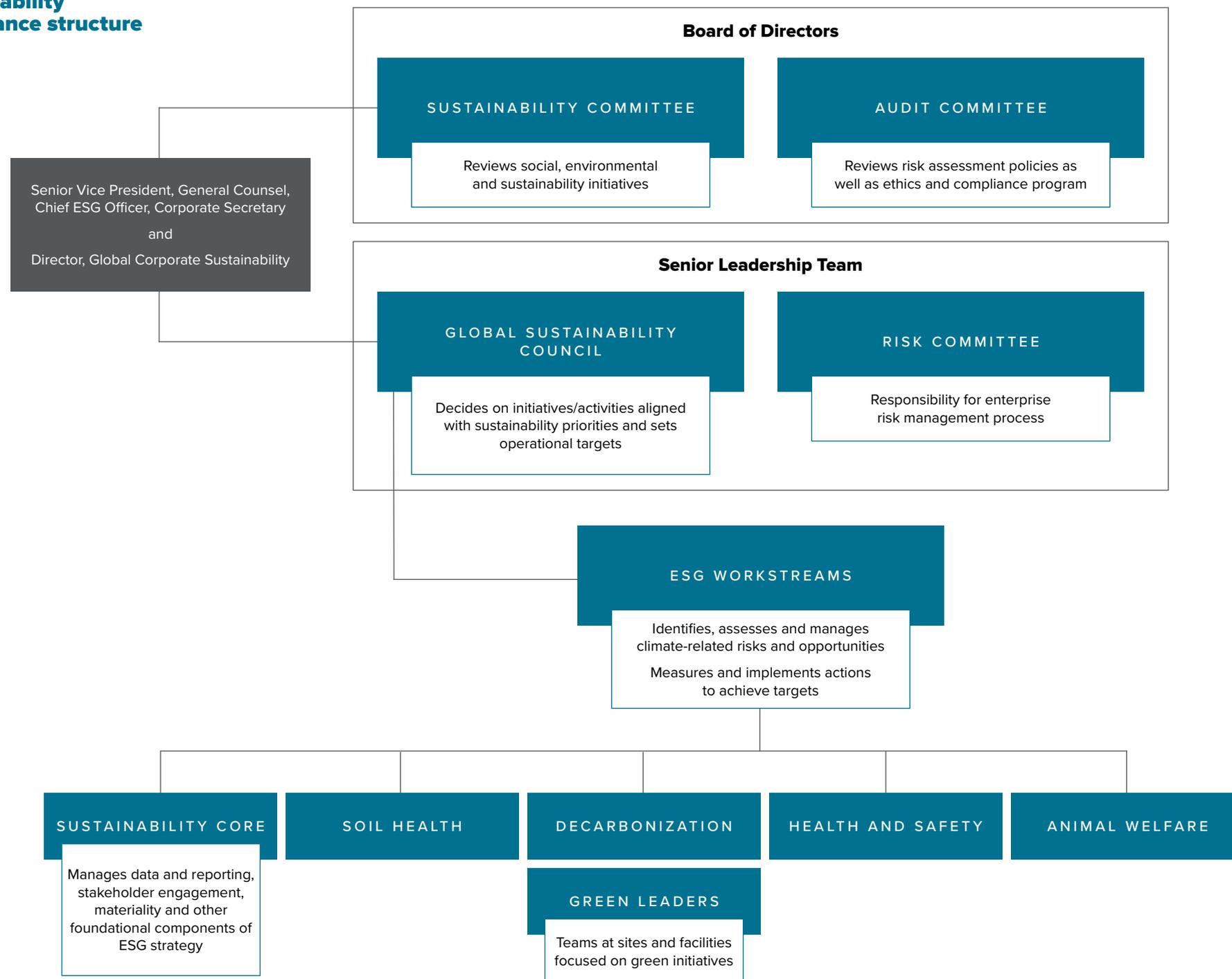
The Senior Vice President, General Counsel also holds the role of Chief ESG Officer and attends all the meetings of the Sustainability Committee and the Board.

AGCO's Chief Financial Officer, (CFO) has executive-level responsibility for economic topics and our overall ERM process. Our head of internal audit, who is responsible for monitoring and auditing AGCO's operational risk management performance, reports functionally to the Audit Committee and administratively to the CFO. In addition, our General Counsel/Chief ESG Officer has executive-level responsibility for environmental, social and governance topics. Both the CFO and General Counsel/Chief ESG Officer directly report to the Chief Executive Officer, (CEO) and have reporting responsibility to the Board. In addition, the CEO, General Counsel/Chief ESG Officer and CFO formally review and approve AGCO's public reporting to ensure that all material topics are covered.

In 2021, AGCO had already 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.

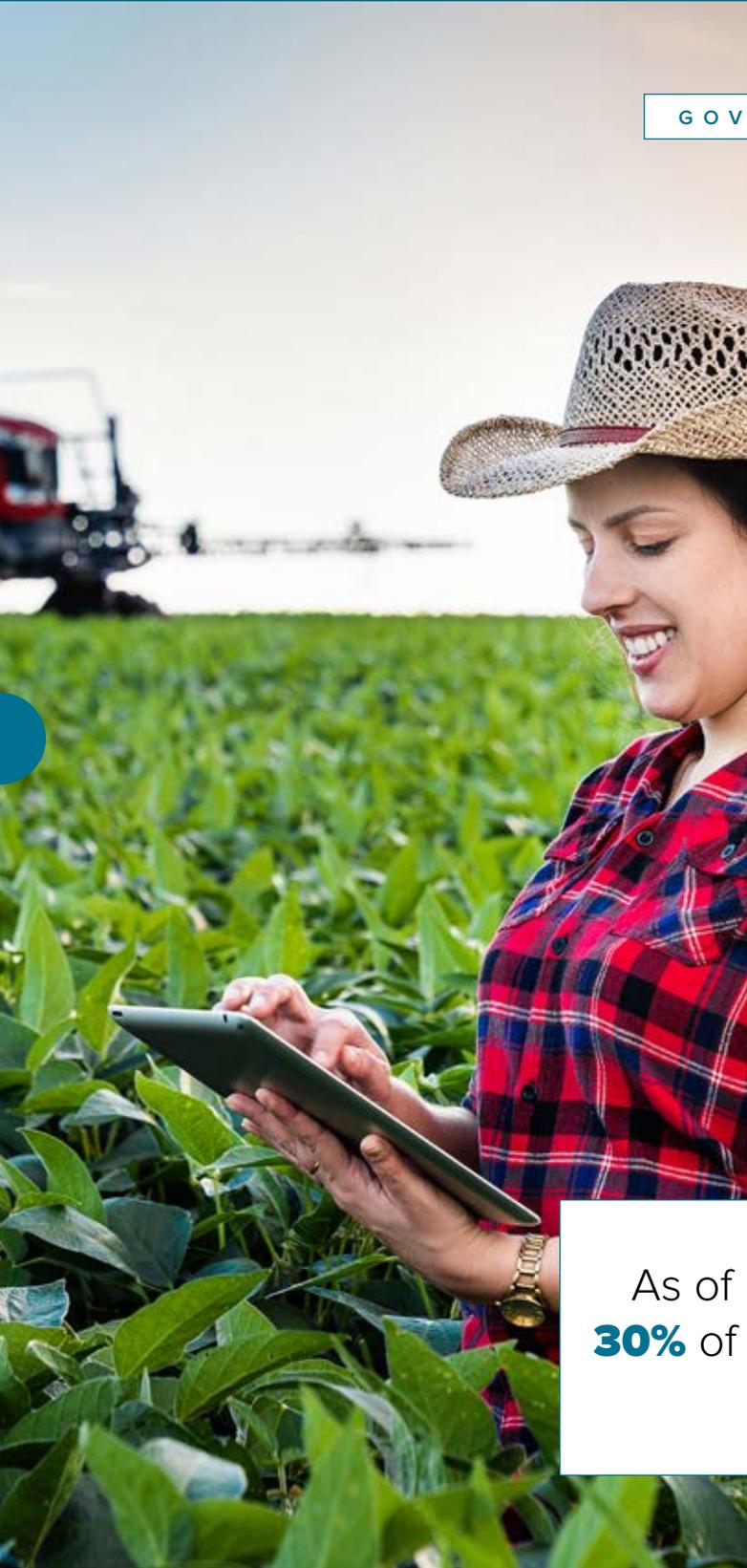
AGCO also established a Sustainability Core Team, strategy work streams, and 'Green Leaders'. The Sustainability Core Team drives the implementation of Council decisions, and oversees the execution of sustainability initiatives and programs. The Strategy work streams lead the execution of initiatives 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



GOVERNANCE

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. Six of our current directors have been elected since early 2019. The average tenure for our board members is approximately five years, and refreshment provides an opportunity to continue to advance the Board’s gender and diversity, as well as its alignment with the growing importance of corporate environmental and social impacts.

In the summer of 2020, our Governance Committee began a systematic and comprehensive review of governance practices with the objective being to consider topics at each meeting and, over a reasonable time, to update our practices where the Committee concluded that there were alternative or additional practices that are in the best interests of our stockholders. To assist it in this process, the independent directors identified and retained an independent governance expert. Subsequently, the Governance Committee and the Board have 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
- + Rotating the role of Lead Director from January 1, 2021
- + Enhancing the role of the Lead Director
- + Introducing a five year term limit policy to limit the maximum term of the Lead Director to five years
- + Introducing a policy to provide for a rotation of Committee Chairs (Audit, Governance and Talent and Compensation Committees remain 100% independent)
- + Rotating Committee Chairs of Audit, Governance and Finance Committees from January 1, 2021
- + Increasing the stock ownership requirements for directors and the CEO/ Chair
- + Implementing an individual director assessment process

As of December 31, 2022, **30%** of our Board members are women, **30%** of our Board members are ethnically diverse. The average tenure of our Board members is approximately **five years**.

GOVERNANCE

Enterprise risk management approach

AGCO'S ENTERPRISE RISK MANAGEMENT (ERM)

process focuses on identifying, defining, and monitoring risks that impact shareholder value over the long term. We identify trends and potential risks because of systemic processes that AGCO has in place that collectively form our ERM.

Through our enterprise risk assessment (ERA) process, we identify and regularly review material risks trends for both AGCO and our industry and then develop and implement countermeasures designed to reduce these risks to an acceptable level. These risks are managed by our executive leadership team and overseen by the Audit Committee and our Board. Our ERA is reviewed regularly for effectiveness and updated periodically.

Through our ERA, AGCO identifies potential risk across a broad set of strategic, operational, human capital, financial risks, and legal and regulatory risks, including (but not limited to) macro-trends and geopolitical risks, competitive market dynamics, supply chain resilience, sustainability-related risks such as climate change impacts, environmental impact of operations and corporate social responsibility. Furthermore, we have aligned with the TCFD framework, leveraging scenario analysis to harness a deeper understanding of our climate-related risks, which is outlined in our [2021 TCFD report](#) and our [2022 TCFD index](#).



GOVERNANCE

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 provides 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, or auditing or related matters, and the confidential, anonymous submission by employees of concerns through the AGCO Alertline.

Our guiding principles and policies

We provide access to our corporate governance-related standards, policies, and other information on the 'investors' webpage on agcocorp.com:

- + Corporate Governance Principles provide the framework for the governance of AGCO and are reviewed by the Board annually
- + Charters guiding the Board Audit, Talent and Compensation, Compensation, Executive, Finance and Governance Committees
- + Global Code of Conduct helps us live our Core Values by guiding our behavior in the workplace. A revised Global Code of Conduct has been drafted and is planned to be launched in 2023.

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

- + [Conflict Minerals Policy](#)
- + [Environment and Climate Change Policy](#)
- + [Health and Safety Policy](#)
- + [Human Rights Policy](#)
- + [Supplier Code of Conduct](#)

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 encouraged to report any concerns of violations to our Global Code of Conduct, policies, or the law including actual, potential, or perceived wrongdoing. All white collar workers globally are trained on anti corruption issues, including management.

The AGCO Alertline is 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 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 disciplinary action, up to and including dismissal.

2022 Total Reports: 86
2022 Closed Reports: 47 (as at Dec 31, 2022)

GOVERNANCE

Cybersecurity and data privacy

AS AGCO CONTINUES to incorporate data analysis features and smart technology in our products, cybersecurity and data privacy are issues of growing importance to both our customers and the business.

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 have policies and practices in place to address data privacy regulations.

Our cybersecurity program is reviewed by external information security specialists or by our internal audit group at least annually. Further, we conduct annual cybersecurity awareness training for employees and targeted training for high-risk functions. We also conduct phishing exercises and correlated education with our employees.

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 regular reporting several times each 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 established a Cybersecurity Council comprised of members of our Leadership that is regularly briefed on cybersecurity matters and provides 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.

On May 5, 2022, we discovered that we had been subject to a sophisticated cyberattack. The attack resulted in the temporary closure of most of our production sites and parts operations. A majority of the affected locations resumed operations within approximately two weeks after the attack was discovered.

There was some data exfiltration as a result of the attack, and a portion of the exfiltrated data subsequently was released publicly. We do not have significant retail operations, and we do not believe that the exfiltrated data included privacy-protected consumer data or that the exfiltration was consequential.

We have invested heavily in maturing our information technology and cybersecurity operations and continue to review and improve our safeguards to minimize our exposure to future attacks. We do not believe the cost of remediation to the impacted systems will be material. To date, the cost of those efforts has not been consequential. As mentioned, we have cyber insurance coverage, and filed a claim associated with the attack.

For more information about how we are protecting customer data read our [privacy statement](#).





I N D E X

In reporting against globally recognized standards our aim is to improve the transparency and comparability of our environmental, social and governance reporting.

+	PROGRESS AGAINST COMMITMENTS	57
+	GLOBAL REPORTING INITIATIVE (GRI) INDEX	59
+	SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX	71
+	TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX	74

Progress against commitments

We've identified various commitments and goals to measure our progress.

COMMITMENTS	ACTION	2022
SOIL HEALTH AND CARBON SEQUESTRATION		
Integrate sustainability into customer engagement activities	+ Hosted quarterly farmer panel with AGCO Leadership	★
	+ Held Fendt sustainability forum	
	+ Conducted on-going voice of customer activities	
Integrate soil health best practice into future farms trials and global crop tours	+ Conducted research trials in the United States, Denmark, Switzerland, and Zambia on cover crops, tillage systems, and fertilizer practices	★
	+ Disseminated insights to employees, dealers, and farmers via reports, online videos, social media, television, and field tours	
Develop new sensors, technologies, and machine features to support soil health and carbon sequestration	+ Launched Radicle Agronomics suite of soil sampling tools for agronomists	✓
	+ Established various carbon program partnerships to automate flow of farm data from AGCO machines	
100% connected fleet by 2025	+ Connected 79% of fleet based on machines retailed and activated in 2022	✓
	+ Expanded proactive customer support	

COMMITMENTS	ACTION	2022
DECARBONIZING OUR OPERATIONS AND PRODUCTS		
Decrease Scope 1 and 2 GHG intensity by 20% by 2026	+ Achieved 31% Scope 1 and 2 GHG intensity reduction across manufacturing sites meeting emissions intensity target 3 years ahead of schedule	★
	+ Secured 10% reduction in energy intensity across manufacturing sites compared to 2021	
	+ Focus in 2023 is to set new Scope 1 and 2 targets for manufacturing sites and full portfolio + Focus in 2023 is to continue to enroll sites into QUEST energy efficiency program and establish Green Leaders teams at manufacturing sites	
Reach 60% renewable energy by 2026	+ Reached 36% renewable energy across manufacturing sites	✓
	+ Reached 63% renewable electricity across manufacturing sites	
	+ 17 manufacturing sites running on 100% renewable electricity	
Invest in technologies to reduce carbon emissions of products in use	+ Conducted an inventory of Scope 3 emissions across 15 upstream and downstream categories	✓
	+ Disclosed Scope 3 emissions, including from products-in-use phase	
	+ Continued research and development efforts on alternative fuels, fuel cells, hybrid technologies and electric drivetrains	
	+ Launched AGCO Power CORE75 engine fully compatible with renewable diesel and designed with tomorrow's alternative fuels in mind + Focus in 2023 is to develop a long-term emissions abatement strategy	
Commercial availability of Fendt e100 by 2025	+ Targeted for commercial launch in 2024	✓
Increase remanufacturing revenue 150% of 2020 baseline by 2025	+ 19% cumulative increase in reman revenue from baseline	✓
	+ ~119% of baseline revenue in 2022	

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

COMMITMENTS	ACTION	STATUS
ELEVATING EMPLOYEE HEALTH AND SAFETY		
Deliver a year-on-year improvement to our total case incident rate (TCIR) for manufacturing sites	+ Lowered our TCIR rate by 14%, (2.18)	★
Achieve a total case incident rate (TCIR) below 1.5 by 2025 and TCIR rate of 1.75 in 2023	+ New goals added in 2022	+
PRIORITIZING ANIMAL WELFARE IN FOOD PRODUCTION		
Deliver animal welfare innovations across AGCO's protein brand portfolio by 2025	+ Invested in precision livestock farming company OptiFarm + Further developing animal welfare product line in poultry and swine business	✓
VALUING OUR PEOPLE		
Engage global workforce in employee engagement survey and establish an engagement baseline	+ Rolled out 'Voices' employee engagement survey to all employees globally and established full global baseline including shop floor employees + Over 19,000 employees shared their voice in 2022, representing a 79% response rate + 88% of employees 'proud' to work for AGCO	★
Reach 75% employee engagement index by 2025	+ Attained 69% employee engagement index in first enterprise-wide employee engagement survey	+
Reach 25% women in leadership by 2030	+ 17% women in leadership in 2022 + Factors impacting our 2022 results include an overall increase in the size of the global leadership group, higher female versus male turnover, additional leadership group headcount as a result of mergers and acquisitions and internal promotions from a larger pool of male candidates. Human Resources is conducting a detailed review of data to identify which actions need to be prioritized going forward.	!

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

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

GRI Disclosure

GRI 1: Foundation (2021) Reporting principles and requirements

GRI 2: General disclosures (2021)

The Organization and its reporting practices

2-1 Organizational details

[AGCO Corporation](#)

2-2 Entities included in the organization’s sustainability reporting

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

[Global Reach](#)

[2022 10-K, page 3 \(Dealers and Distribution\)](#)

2-3 Reporting period, frequency and contact point

AGCO’s 2022 Sustainability Report includes data covering the calendar year ending December 31, 2022.

Contact: Global Sustainability and ESG Reporting Manager
Email: dorottya.olah@agcocorp.com

2-4 Restatements of information

In the 2022 Sustainability Report, AGCO restates its annual energy consumption and greenhouse gas (GHG) emissions for manufacturing sites disclosed in the 2021 Sustainability Report and 2021 CDP Report. These restatements are due to the revision of previously estimated data with actual data and recalculations of purchased electricity emissions at two sites.

2-5 External assurance

AGCO did not conduct third-party assurance for non-financial data or this index.

Activities and workers

2-6 Activities, value chain and other business relationships

Brand leadership for profitable, sustainable farming

[2022 10-K, page 1 \(General\)](#)

[2022 Annual Report, page 2 \(Farmer-First Strategy Execution\)](#)

2-7 Employees

[EEO-1 Data](#)

AGCO employed approximately 25,600 employees as of December 31, 2022.

[2022 10-K, page 1 \(General\)](#)

[2022 10-K, page 11 \(Human Capital\)](#)

[Global workforce](#)

2-8 Workers who are not employees

1,128 temporary or fixed-term employees in 2022.

Governance

2-9 Governance structure and composition

[Governance](#)

[Governance Committee Charter \(updated April 2022\)](#)

[2022 Annual Report, page 4 \(Ongoing Commitment to Governance\)](#)

[2023 Proxy Statement, page 16-17 \(The Board and Corporate Governance\)](#)

[2023 Proxy Statement, page 10 \(Election of Directors\)](#)

2-10 Nomination and selection of the highest governance body

[Board structure, diversity and tenure](#)

[Governance Committee Charter \(updated April 2022\)](#)

[2023 Proxy Statement, page 18 \(Governance Committee\) and page 19 \(Identification and Evaluation of Director Nominees\)](#)

2-11 Chair of the highest governance body

Eric P. Hansotia (Chief Executive Officer) assumed the role of Chairman of the Board in 2021 and continues to hold it in 2022 and 2023.

[2023 Proxy Statement, page 22](#)

2-12 Role of the highest governance body in overseeing the management of impacts

The Board reviewed and approved AGCO’s updated corporate purpose, mission and vision as part of a strategy refresh process in 2021.

[Board of Directors](#)

[Governance Committee Charter \(updated April 2022\)](#)

[Governance](#)

2-13 Delegation of responsibility for managing impacts

[Governance Committee Charter \(updated April 2022\)](#)

[Governance](#)

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

General disclosures

GRI 2: General disclosures (2021)

Governance (cont.)

2-14

Role of the highest governance body in sustainability reporting

Sustainability reporting is overseen by Senior Vice President, General Counsel, Chief ESG Officer and Corporate Secretary; Senior Vice President, Chief Financial Officer; Vice President, Chief Communications Officer; and Vice President, Chief Accounting Officer.

This sustainability report was prepared by the Director of Corporate Sustainability. A Sustainability Council was established in 2021 and a Board Sustainability Committee was established in 2022, to drive sustainability integration across policies, activities, products and services, including support of sustainability reporting.

[Sustainability Governance Structure Governance Committee Charter \(updated April 2022\)](#)

2-15

Conflicts of interest

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

2-16

Communication of critical concerns

[2022 10-K, pages 15-25 \(Risk Factors\)](#)

2-17

Collective knowledge of the highest governance body

[2023 Proxy Statement, page 10 \(Election of Directors\)](#)

2-18

Evaluation of the performance of the highest governance body

The Corporate Governance Committee conducts an annual evaluation of the Board and each of its Committees.

[2023 Proxy Statement, page 19 \(Identification and Evaluation of Director Nominees\)](#)

[2023 Proxy Statement, pages 16-17 \(Board and Corporate Governance\)](#)

2-19

Remuneration policies

[2023 Proxy Statement, page 31 \(Certain Officers\)](#)

2-20

Process to determine remuneration

[2023 Proxy Statement, page 31 \(Certain Officers\) and page 48 \(Compensation Considerations\)](#)

[2023 Proxy Statement, page 37 \(Compensation Discussion and Analysis – 2021 and 2022 Stockholder Engagement\)](#)

2-21

Annual total compensation ratio

[2023 Proxy Statement, page 70 \(2022 CEO Pay Ratio\)](#)

2-22

Statement on sustainable development strategy

[CEO Letter](#)

[2022 Annual Report, page 1 \(Chairman's Message\)](#)

Strategy, policies and practices

2-23

Policy commitments

AGCO is evaluating sustainability-related strategic decisions following the precautionary principle.

In 2021 under CEO, Eric P. Hansotia, AGCO developed a new corporate purpose, vision and mission.

[AGCO values](#)

[Global Code of Conduct](#)

[Health and Safety Policy](#)

[Environment and Climate Change Policy](#)

2-26

Mechanisms for seeking advice and raising concerns

AGCO maintains an external email address, phone numbers and feedback form for all regions as a mechanism for anyone to raise questions or concerns (see [Feedback and Questions](#) and [AGCO Alertline](#)).

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

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

2-28

Membership associations

[Public policy](#)

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

General disclosures

GRI 2: General disclosures (2021)

Stakeholder engagement

2-29

Approach to stakeholder engagement

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.

2-30

Collective bargaining agreements

[2022 10-K, page 11 \(Unions, Collective Bargaining Agreements and Work Councils\)](#)

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

General disclosures

GRI 3: Material topics (2021)

3-1
Process to determine material topics
Materiality assessment

3-2
List of material topics
Materiality assessment

Economic Performance (2016)

3-3
Management of material topics
Materiality assessment

201-1
Direct economic value generated and distributed
2022 Annual Report, page 3 (Financial Highlights)
2022 10-K, page 55 (Consolidated Statements of Cash Flows)

201-2
Financial implications and other risks and opportunities due to climate change
2021 TCFD Report and 2022 TCFD update

Energy (2016)

302-1 Energy consumption within the organization

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 target is to achieve 60% renewable energy use by 2026 and we have also set 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 the purchase of renewable electricity, implementing energy conservation, recovery and efficiency measures, exploring solutions for electrification of natural gas usage, and switching to bio-fuels.

In 2022, we started to collect energy data for all AGCO sites (excluding JVs where we hold 50% or less and

AGCO-owned dealerships). In the interests of transparency and comparability, we will continue to disclose the energy consumption of our manufacturing sites for 2022 separately (with historic figures for the same scope) and energy consumption of the complete portfolio. In addition, we are disclosing our company car fleet related energy consumption and associated GHG emissions in our complete portfolio 2022 data (Scope 1 and Scope 2). Our company car fleet energy consumption comes from various fuels: diesel, petrol, ethanol and electrical power. In 2022, 7% of our company car fleet’s energy consumption came from renewable sources (ethanol).

In 2022, our manufacturing energy consumption increased by 2%, as a result of an increase in production volumes.

	MANUFACTURING			COMPLETE PORTFOLIO
	2020	2021	2022	2022
Total energy consumption (GJ)	1,872,538	2,102,740	2,141,841	2,505,224
Total fuel consumption from non-renewable sources (GJ)	834,583	936,892	995,845	1,111,491
Total energy consumption from renewable sources (GJ)	494,007	672,428	769,642	785,186
Total renewable electricity consumption (GJ)	335,021	480,750	583,862	597,349
Total renewable district heating consumption (GJ)	129,525	156,022	136,352	136,352
Total fuel consumption from renewable sources (GJ)	29,461	35,656	49,427	51,485
Total electricity consumption (GJ)	855,131	941,259	933,154	1,023,849
Total renewable electricity consumption (GJ)	335,021	480,750	583,862	597,349
Total grid (purchased electricity) consumption (GJ)	848,350	934,828	922,729	1,013,424
Total on-site electricity generation (GJ)	6,781	6,431	7,401	7,401
Total district heating and steam consumption (GJ)	153,363	188,933	163,415	166,547
Total company fleet energy consumption (GJ)	N/A	N/A	N/A	151,852

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

General disclosures

GRI 3: Material topics (2021)

Regional breakdown

	Total energy consumption (GJ)				Total renewable energy consumption (GJ)			
	MANUFACTURING			COMPLETE PORTFOLIO	MANUFACTURING			COMPLETE PORTFOLIO
	2020	2021	2022	2022	2020	2021	2022	2022
Corporate	1,872,538	2,102,740	2,141,841	2,505,224	494,007	672,428	769,642	785,186
APA	58,508	93,292	89,244	115,889	—	—	—	—
EME	954,889	1,090,089	1,026,455	1,217,660	362,308	528,158	517,409	528,871
NA	642,719	659,147	726,044	848,275	4,882	4,688	62,971	63,161
SA	216,423	260,212	300,098	323,401	126,817	139,582	189,262	193,154

	Total electricity consumption (GJ)				Total renewable electricity consumption (GJ)			
	MANUFACTURING			COMPLETE PORTFOLIO	MANUFACTURING			COMPLETE PORTFOLIO
	2020	2021	2022	2022	2020	2021	2022	2022
Corporate	855,131	941,259	933,154	1,023,849	335,021	480,750	583,862	597,349
APA	37,989	54,937	52,769	66,493	—	—	—	—
EME	419,206	452,988	455,334	499,982	224,180	362,692	370,359	379,764
NA	272,221	284,821	270,655	298,643	4,882	4,688	62,971	63,161
SA	125,715	148,514	154,395	158,731	105,959	113,370	150,532	154,424

For GHG accounting we follow the GHG Protocol Corporate Standard and Scope 2 guidance methodology. The energy data collection and accounting is structured to support GHG accounting. We collect energy data on a monthly basis from sites using an industry-leading ESG data management 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 bio-diesel and biomass. We also report on-site renewable electricity generation (from solar) separately from purchased electricity. When calculating the energy data disclosed within this report, we applied estimations to fill data gaps due to invoicing and data availability issues. Estimations are calculated using the previous consecutive 12-month period’s average consumption or same period of previous year, or if historic data is not available, consumption is estimated based on regional average consumption per site type and floor area. Estimated data is updated when actual data becomes available. Our non-manufacturing sites include small offices and other rented space where reliable energy data is difficult to obtain. We are committed to improve data quality and availability and we are continuously working to refine our data collection processes to reduce the share of estimated consumption. The share of estimated consumption of total reported energy was ~3% for manufacturing sites and ~4% for the complete portfolio in 2022.

302-3 Energy intensity

Energy and electricity intensity ratio is disclosed for both the manufacturing sites and the complete portfolio, using total net sales (million USD) as a normalization metric. In the energy intensity figure, the nominator is the total energy consumed within the organization, which includes electricity (purchased and self-generated), district heating and steam, fuel usage (diesel, petrol, bio-diesel, other liquid fuels), natural gas and LPG. The complete portfolio metric also includes company car fleet-related energy use (including the use of petrol, diesel, ethanol and electricity).

Energy intensity per total net sales (MWh/million USD net sales)

	MANUFACTURING			COMPLETE PORTFOLIO
	2020	2021	2022	2022
Corporate	56.85	52.44	47.03	55.01
APA	22.14	27.29	27.32	35.48
EME	42.63	56.42	44.22	52.46
NA	82.08	68.85	63.52	74.21
SA	68.80	55.27	39.29	42.34

Electricity intensity per total net sales (MWh/million USD net sales)

	MANUFACTURING			COMPLETE PORTFOLIO
	2020	2021	2022	2022
Corporate	25.96	23.47	20.49	22.48
APA	14.38	16.07	16.15	20.36
EME	18.72	23.45	19.62	21.54
NA	34.77	29.75	23.68	26.13
SA	39.96	31.55	20.21	20.78

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

General disclosures

GRI 3: Material topics (2021)

302-4

Reduction of energy consumption

During 2022, we had in place a 2.5% energy intensity reduction target for our manufacturing sites, which, coupled with our QUEST energy conservation program, supports the implementation of energy efficiency measures. Implemented energy efficiency projects include LED lighting systems retrofit, HVAC system improvements, reduction of base-load energy use and replacement of inefficient equipment.

Water and Effluents (2018)

Since our operations are not particularly water intensive, water and effluents have not been identified as a material topic for AGCO. However, we are tracking and disclosing water use of our manufacturing sites and continue to work 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.

303-1

Interactions with water as a shared resource

AGCO does not consider water 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.

303-2

Management of water discharge-related impacts

303-3

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.

	Water withdrawal from municipal water supply (m³)		Water withdrawal from other water supply (m³)		Water discharge (m³)		Water reused/recycled (m³)		Water consumption (m³)	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Corporate	466,160	467,440	244,568	258,509	528,357	520,756	3,919	2,742	178,452	202,451
APA	47,338	38,360	42,312	37,375	89,650	75,735	—	—	—	—
EME	161,073	158,700	78,711	79,293	177,272	178,345	2,634	1,694	59,879	57,953
NA	118,020	126,218	—	—	117,717	126,133	288	73	16	12
SA	139,728	144,162	123,545	141,841	143,718	140,542	998	975	118,557	144,486

303-4

Water discharge

See 303-3

303-5

Water consumption

See 303-3

Water consumption in 2022 has increased by 13%, which can be attributed to the increase in production and a short failure in the water recycling system at one of our sites resulting in lower volumes of water recycled.

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

General disclosures

GRI 3: Material topics (2021)

Emissions (2016)

305-1

Direct (Scope 1) GHG emissions

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 established a 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 and investor feedback. In 2022, we exceeded our Scope 1 and 2 target three years ahead of schedule by reducing the emissions intensity of our manufacturing operations by 31% compared to our 2020 baseline.

Our decarbonization strategy includes the use of various levers depending on regional and market factors. Our QUEST initiative (Quick Energy Savings Tools) was launched in 2021, and continues to support the identification and execution of energy efficiency projects across the business. AGCO continues to work towards increases the use of renewable electricity via green supply contracts and

unbundled energy attribute certificate (EAC) purchase programs, as well as exploring other long-term solutions, such as installation of 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 an 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 tracking targets. We utilize AGCO STAR to track and calculate energy and emission data of our sites. The GHGs included in our calculations are CO₂, CH₄ and N₂O. We report GHG emissions in tCO₂e, and use global warming potentials of CH₄ and N₂O to calculate CO₂e according to the 5th International Panel on Climate Change Assessment Report.

305-2

Energy indirect (Scope 2) GHG emissions

see 305-1

	MANUFACTURING			COMPLETE PORTFOLIO
	2020	2021	2022	2022
Scope 1 (tCO₂e)	50,269	58,342	62,073	80,618
Scope 2 location-based (tCO₂e)	91,287	99,280	83,197	91,508
Scope 2 market-based (tCO₂e)	50,259	47,953	33,731	41,803
Total Scope 1 and 2 market based (tCO₂e)	100,528	106,295	95,804	122,421
Scope 1 and 2 emission intensity (tCO₂e/million USD net sales)	10.99	9.54	7.57	9.68

Regional breakdown

	Scope 1 and 2 market-based emission (tCO ₂ e)				Emission intensity per total net sales (tCO ₂ e/million USD net sales)			
	MANUFACTURING			COMPLETE PORTFOLIO	MANUFACTURING			COMPLETE PORTFOLIO
	2020	2021	2022	2022	2020	2021	2022	2022
Corporate	100,528	106,295	95,804	122,421	10.99	9.54	7.57	9.68
APA	7,768	11,789	11,282	15,000	10.58	12.41	12.43	16.53
EME	38,834	36,725	32,811	43,320	6.24	6.84	5.09	6.72
NA	48,615	51,047	44,338	54,665	22.35	19.20	13.96	17.22
SA	5,311	6,734	7,373	9,435	6.08	5.15	3.48	4.45

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

General disclosures

GRI 3: Material topics (2021)

Emissions (cont.)

305-3

Other indirect (Scope 3) GHG emissions

During 2022, we completed an inventory of our Scope 3 GHG emissions and identified the categories that generate the largest emissions in our value chain. These are category 1) purchased goods and services, category 4) upstream transport and distribution, category 9) downstream transport and distribution, and category 11) use of sold products. We have completed calculations for the emissions associated with these categories. For transparency, we also disclose estimated emissions of all fifteen categories as part of a Scope 3 inventory using 2021 data, and will periodically repeat this inventory and calculations. For our Scope 3 accounting, aligned with our Scope 1 and 2 methodology, we follow the GHG Protocol Scope 3 Guidance, and disclose against the same emissions categories for 2022. All emissions are expressed in tCO₂e.

By their nature, current determinations of Scope 3 emissions produce only estimates and are not necessarily accurate amounts. In determining our Scope 3 inventory, we solicited input from various parts of our business with respect to various reported components, reviewed and applied publicly available and other data and in some instances averaged and estimated amounts and applied that analysis to larger populations of products. While our inventory reporting and subsequent Scope 3 disclosures reflect good faith estimates, we caution that they may not be complete, rely on some estimations and may or may not have been prepared in a manner comparable to how the amounts might be determined by others or by us in prior or future periods.

SCOPE 3 CATEGORY	2021 INVENTORY	2022	APPROACH
1 Purchased goods and services	4,671,012	5,460,383	All purchased goods and services were included based on spend data by material and supplier location.
2 Capital goods	N/A		Included in purchased goods and services.
3 Fuel and energy related activities	7,256		Energy used in operations associated with our reported Scope 1 and 2 emission, calculated on fuel level, based on actual kWh consumption.
4 Upstream transportation and distribution	1,665,648	1,947,132	Spend based data was used for each transport method and region.
5 Waste generated in operations	11,516		Country waste averages were used for each region. Calculated for manufacturing sites only, doubled to include offices and rest.
6 Business travel	11,031		Air, rail and road (rental cars etc, not employee commuting) transport were accounted for.
7 Employee commuting	40,693		Country data averages were used for travel methods, distances and remote working percentages.
8 Upstream leased assets	N/A		Lease emissions of real estate have been included in Scope 1 and 2 due to operational control approach.
9 Downstream transport and distribution	271,152	316,975	Spend based data was used for each transport method and region.
10 Processing of sold products	N/A		AGCO sells only final products. AGCO engines are considered to be final products and their use phase emissions are included in use of sold products.
11 Use of sold products	18,112,775	19,562,638	This includes all use-phase emissions of both tractors and non tractors.
12 End-of-life treatment of sold products	N/A		It is rare that tractors reach end of life as they are cascaded to 2nd/3rd markets. For those that are recycled, we calculated the percentage and it is <1% of the baseline.
13 Downstream leased assets	N/A		AGCO does not lease assets to third parties.
14 Franchises	N/A		AGCO does not have franchises.
15 Investments	15,000		Estimated Scope 1 and 2 emissions of three joint ventures proportionately based on equity share. AGCO holds less than 50% in all three joint ventures.

Rows marked gray are categories that generate the largest emissions in our value chain.

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

General disclosures

GRI 3: Material topics (2021)

305-4 GHG emissions intensity

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 2022, our absolute emissions decreased by 10% and we also reduced our emission intensity (per million USD of net sales) by 21% compared to 2021, due to increased net sales and emission reduction actions. In 2022, we further reduced our emissions by increasing our use of renewable electricity at two sites in North America and six sites in Brazil, which switched to 100% renewable electricity. We are working on a comprehensive decarbonization strategy to drive absolute emission reduction as well as the reduction of our emission intensity.

305-5 Reduction of GHG emissions

In 2022, we increased the number of green supply contracts in South America and North America and continued our engagement with an external specialist to support with an unbundled EAC purchase program in Europe. The direct emission reduction results of these initiatives was approximately 14,000 tCO₂e (compared to a baseline of market-based emissions in the absence of the reduction activities).

305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Our VOC air emissions have increased 15% compared to 2021, largely due to an increase in production across our sites. Main sources of VOC emissions are from solvents and paints used in the manufacturing process.

	VOC EMISSIONS (METRIC TON)		
	2020	2021	2022
Corporate	453.41	501.32	574.53
APA	1.6	1	1.74
EME	190.35	215.5	268.53
NA	118.23	105.08	108.71
SA	143.23	179.74	195.55

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

Employment (2016)

401-1
New employee hires and employee turnover
[2022 10-K, page 11 \(Human Capital\)](#)

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 (2016)

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 (2018)

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 a competitive advantage. We are now expanding our safety program to track performance and improvements across all sites globally. 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.

403-1
Occupational health and safety management system

403-8
Workers covered by an occupational health and safety management system

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, as well as third-party contractors working on AGCO’s premises. As of end of 2022, ten of our manufacturing sites were certified to OHSAS 18001 or ISO 45001. Seven additional sites are in the process of obtaining certification.

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

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 employee performance reviews, health and safety forms 5% of all employees’ performance goals. Employees at every level of the business are also expected to set behavior-based goals, cascaded from the corporate level with an emphasis on leading key performance indicators to drive a stronger safety culture.

403-5
Worker training on occupational health and safety
[Employee health, safety and well-being](#)

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

403-6
Promotion of worker health
[Employee health, safety and well-being](#)

In some countries, private health insurance is part of the compensation package, and employees have access to mental health and well-being resources and counseling.

403-9
Work-related injuries
[Employee health, safety and well-being](#)

In 2022, AGCO’s total case incident rate (TCIR) was 2.18, which is a 14% reduction compared to 2021 (2.53). In 2021, we also embarked on a safety program refresh called Focus 2.0, to further advance safety. We’ve set a goal to reach a TCIR of below 1.5 by 2025 and our aspiration is that of zero work related incidents across our global enterprise.

	MANUFACTURING		
	2020	2021	2022
Total case incident rate (TCIR)	2.87	2.53	2.18

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

Training and education (2016)

404-2

Programs for upgrading employee skills and transition assistance programs

Talent

404-3

Percentage of employees receiving regular performance and career development reviews

All non-shop-floor 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 completing annual performance reviews with all employees, leading employee development discussions covering, career, performance and personal development goals, holding regular one-on-one reviews with direct reports, and preparing successor development plans for team roles.

Diversity and equal opportunity (2016)

405-1

Diversity of governance bodies and employees

EEO-1 2021 Employee data
2022 10-K, page 13 (Diversity)

Public policy (2016)

415

Management approach

We are committed to complying 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.

415-1

Political contributions

In 2022, we did not engage in any financial and/or in-kind contribution to any political campaign.

Global Code of Conduct

Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2022 – 31 December 2022

AGCO U.S. EEO-1 2021 Employment data

Job Categories	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO												Overall Totals	
	Male	Female	Male						Female							
			White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races		
Executive/Senior Officials and Managers	0	0	19	0	0	2	0	0	0	1	0	0	0	0	0	22
First/Mid Level Officials and Managers	14	2	316	6	1	21	0	0	76	6	0	8	0	1	451	
Professionals	20	14	942	22	0	64	1	3	198	16	0	23	2	2	1,307	
Technicians	9	3	226	3	0	3	0	0	46	0	0	1	0	0	291	
Sales Workers	0	0	145	3	0	1	0	3	20	0	0	0	0	0	172	
Administrative Support	6	6	77	1	0	7	0	2	123	7	0	4	0	1	234	
Craft Workers	72	5	792	15	1	7	8	10	42	3	0	2	1	0	958	
Operatives	127	27	809	55	2	21	2	4	234	2	0	7	2	2	1294	
Laborers and Helpers	33	13	33	11	0	0	1	1	10	1	0	0	0	1	104	
Service Workers	0	0	3	0	0	0	0	0	1	0	0	0	0	0	4	
Total	281	70	3,362	116	4	126	12	23	750	36	0	45	5	7	4,837	

Data as of October 31, 2021

18% of U.S. employees are ethnically diverse

Sustainability Accounting Standards Board (SASB) Index

Sustainability disclosure topics and accounting metrics

Our 2022 SASB Report is AGCO’s fourth report against the SASB framework.

As an ‘Industrial Machinery and 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
- Remanufacturing design and services.

Where applicable, we provide data relating to these factors for full year 2022, 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	2,141,841
	(2) Percentage grid electricity	%	Quantitative	43%
	(3) Percentage renewable energy	%	Quantitative	36%

Disclosure

In 2021, AGCO implemented an ESG management tool to track our energy consumption. In 2022, we rolled out this tool to all sites globally. For comparability with previous years data, we will continue to report on manufacturing sites’ energy consumption in table RT-IG-130a.1 of this index, and in the narrative below we provide total energy consumption of our full portfolio, which includes manufacturing sites, warehouses, assemblies, offices and training centers, as well as fleet cars. Our reporting currently excludes AGCO-owned dealerships. In 2022, the total energy consumption of our full portfolio was 2,505,224 GJ.

Employee health and safety

CODE	ACCOUNTING MEASURE	UNIT	CATEGORY	DISCLOSURE
RT-IG-320a.1	(1) Total recordable incidence rate	Rate	Quantitative	2.18
	(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 2022 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

- 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

SASB CODE		2020	2021	2022
RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	79.3 million USD	93.4 million USD	94 million USD

Disclosure

In 2022, revenue from remanufactured products and remanufacturing services was recalculated to accommodate internal methodology changes (eg.: accounting for warranty). In this disclosure we restate the 2020 and 2021 figures.



Task Force on Climate-Related Financial Disclosures

Introduction

AGCO has a history of providing smart farming solutions to sustainably feed a growing global population. Alongside our commitment to investments in technology and innovation, AGCO is working in partnership with our dealers to deliver the high-quality, smart solutions farmers need to sustain their operations and the environment while increasing yields.

AGCO recognizes the recommendations of the Taskforce For Climate Related Financial Disclosures, (TCFD) as a useful framework for assessing and reporting on climate-related risks and opportunities. We continue to incorporate the TCFD framework into our sustainability program, and by addressing its recommendations, we are increasing our preparedness for the potential physical and transition impacts associated with climate change. Our approach to climate risk scenario analysis and detailed overview of climate risks and opportunities is outlined in our [2021 TCFD Report](#). This index provides a summary of updated activities in 2022 covering the four TCFD pillars, governance, strategy, risk management as well as metrics and targets. Further climate disclosures can be found in our CDP Climate Change 2022 disclosure.

TCFD Index

Governance

1. **Describe the Board's oversight of climate-related risks and opportunities.**

The Board is accountable for overall corporate governance at AGCO and for protecting the long-term value of AGCO for its stakeholders. The Board has delegated oversight of AGCO's sustainability policies, strategies, goals and risks to a newly established Sustainability Committee of the Board.

AGCO established the Sustainability Committee in April 2022, underpinning our commitment to sustainability as a strategic priority. In addition to overseeing AGCO's sustainability strategy, climate change and other sustainability policies and programs, the Sustainability Committee is responsible for assessing AGCO's sustainability performance against targets and goals, overseeing processes to ensure compliance with applicable laws and regulations as well as assessing and managing risks relating to sustainability and climate change matters.

The Sustainability Committee has a formal calendar and is scheduled to meet three times yearly. In addition, the Board reviews sustainability matters at one meeting of the Board each year.

The Audit Committee reviews AGCO's policies with respect to risk assessment and risk management, including major financial, compliance, political and operational risk exposures.

2. **Describe management's role in assessing and managing climate-related risks and opportunities.**

Day-to-day accountability for sustainability rests with AGCO's Executive Leadership and our Chief Executive Officer. AGCO's ESG strategy and initiatives are led by the Senior Vice President, General Counsel, Chief ESG Officer, and Corporate Secretary, who reports directly to our Chief Executive Officer. The Director, Global Corporate Sustainability, reports to the Senior Vice President, General Counsel, Chief ESG Officer, and Corporate Secretary, and is scheduled to make presentations to the Sustainability Committee three times per year and directly to the Board annually.

In 2021, a Sustainability Council was established to drive sustainability integration across the business and to set operational targets to achieve our corporate ESG objectives. The Sustainability Council consists of senior leaders from across key business units. Supporting the Sustainability Council is the Director, Global Sustainability, together with the following:

- AGCO's Sustainability Core Team, which drives the implementation of Sustainability Council decisions and reports on sustainability initiatives and programs
- Sustainability workstreams, which lead the implementation of actions within the various businesses to meet AGCO's stated sustainability goals and commitments
- Green Leaders' teams at manufacturing sites
- Empowered business units implementing actions to meet sustainability targets and metrics.

Strategy

1. **Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.**

In 2021, AGCO performed an initial baseline analysis workshop in which its TCFD Working Group discussed the TCFD recommendation process and identified a prioritized list of climate-related risks and opportunities. The TCFD Working Group began with an initial list of risks and opportunities consisting of twelve physical risks, thirteen transition risks, and ten opportunities drawn from industry research, benchmarked peers, and the EY Global Climate Risk Barometer. The TCFD Working Group then ranked the impact and likelihood of the risks and opportunities to develop the prioritized list of eight risks and opportunities for scenario analysis.

The eight prioritized risks and opportunities were considered over short- (1–5 years), medium- (6–10 years) and long-term (11-30 years) time horizons. The risks and opportunities are described below along with their TCFD classification, area of impact within AGCO's operations and value chain, and primary time horizon. In 2022, AGCO added a ninth risk (risk G) which has been added to the list below.

PHYSICAL RISKS:

- A. Disruptions to critical suppliers/supply infrastructure due to climate-related extreme weather events.

Classification: Acute

Impact area: Supply chain

Time horizon: Medium-term

Approach: We have increased our resilience to the risk of disruptions to critical suppliers/supply infrastructure due to climate-related extreme weather events by localizing more suppliers, dual-sourcing for critical components, decreasing instances of just-in-time delivery, and investing in verticalization for insourcing. Dual-sourcing allows AGCO to increase resilience in the case of one supplier being affected by climate-related weather events, reducing the probability of manufacturing delays. We have revised our approach to inventory to maximize flexibility, efficiency, and cost-effectiveness. Lastly, investments in verticalization such as 3-D printing allow us to reduce transportation and sourcing costs as we produce parts in-house.

- B. Increased extreme weather (e.g., flood, fire, and drought) reduces crop yields and quality.

Classification: Acute

Impact Area: Farmers

Time horizon: Medium-term

Approach: As climate-related weather events can be detrimental to the production of crops, we strive to prepare our farmers through education and the development of products and services to adapt to climate-related physical impacts around the world. Soil erosion is increasing, and severe rainfall and droughts are globally becoming more prevalent. We will continue to track and monitor these trends, educate our employees, and stay close to evolving regulatory developments. We continue to invest in the development of technologies that can build resilience for farmers, including smart machines that enable farmers to respond to changing environmental and agronomic conditions, and that can provide a clear return on investment and improve operational performance. We aim to be the industry leader in digital and precision agriculture. We have grown our Precision Planting business significantly in 2022 and this remains a priority growth initiative in our strategy. Our retrofit business enables the rapid development and deployment of innovative technologies to the market that are brand agnostic. Looking ahead, we continue to proactively seek alignment with strategic partners, increase our capabilities through strategic acquisition opportunities and target focused investments to provide innovative products and services that meet farmers' evolving and complex needs.

C. Increased temperatures lead to reduced crop yields from heat stress to crops and from increased pests and diseases.

Classification: Chronic

Impact Area: Farmers

Time horizon: Long-term

Approach: To increase resilience and reduce potential impacts to our revenue streams, we have analyzed regions where temperature increase may significantly affect crop production of our farmers. We will continue to track and monitor these trends and stay close to evolving regulatory developments. We continue to invest in the development of technologies that can build resilience for farmers, including smart machines that enable farmers to respond to changing environmental and agronomic conditions, and that can provide a clear return on investment and improve operational performance. We aim to be the industry leader in digital and precision agriculture. We have grown our Precision Planting business significantly in 2022 and this remains a priority growth initiative in our strategy. Our retrofit business enables the rapid development and deployment of innovative technologies to the market that are brand agnostic. Looking ahead, we continue to proactively seek alignment with strategic partners, increase our capabilities through strategic acquisition opportunities and target focused investments to provide innovative products and services that meet farmers' evolving and complex needs.

TRANSITION RISKS:

D. Increased operational costs due to carbon pricing/taxes/cap or increased logistics/supply costs.

Classification: Policy

Impact Area: Operations/Supply chain

Time horizon: Medium-term

Approach: As more countries begin to consider implementing a price on carbon, we are focusing efforts on incorporating the effects of new regulations into our core business. We are assessing potential impacts of an internal carbon price to better prepare AGCO for future regulations and better position AGCO for investment decisions as we propel our business forward. Competition will face similar requirements, so we see regulations as an industry challenge, rather than a risk that is specific to

AGCO. We are already experiencing higher costs for key commodities such as steel, and we anticipate that these increased costs will become more prevalent in the future.

E. Increased regulation of water use and/or fertilizer use requiring farmers to modify water/fertilizer use or incur additional costs.

Classification: Policy

Impact Area: Farmers

Time horizon: Long-term

Approach: We are actively engaged with leading industry trade associations, and monitoring developments relating to how and where farming will be affected by regulations on water and fertilizer use. As part of our smart solutions and precision agriculture roadmap, we continue to invest in product and service innovation, with the goal of enabling a 20% improvement in net farm income by reducing waste and improving yield. New regulations pose a potentially significant risk to our farmers, so by partnering with our customers to mitigate these risks to their businesses, we can capitalize on new product opportunities and drive revenue growth.

F. Costs to develop new low-emission technologies and processes to reduce AGCO's greenhouse gas (GHG) emissions.

Classification: Technology

Impact Area: Operations

Time horizon: Medium-term

Approach: We currently invest approximately 3.5% of our total revenue into research and development. Current priorities include smart machines, which cover connectivity, automation, and robotics, all of which have an impact on machine use efficiency; and low and zero emissions innovations such as electrification of agricultural equipment, improving efficiency of existing engines, and alternative fuels. In 2022, we launched our CORE engine, a completely new family of diesel engines developed and manufactured by AGCO Power. CORE engines are fully compatible with renewable HVO fuels and are designed to be compatible with alternative fuels like hydrogen and biogas in the future. We are on track to bring to market the Fendt e100 Vario, AGCO's first battery-powered tractor. We also have a dedicated engineering project team working on defining requirements of the next generation of battery electric tractors beyond the Fendt e100.

With respect to our operations, high energy prices could adversely impact our financial results. Higher energy costs increase our operating costs. We have taken steps to reduce our greenhouse gas emissions intensity 20% by 2026 through resource conservation initiatives, through smart manufacturing that uses data and technology to reduce waste and increase efficiency, and by shifting to 60% renewable energy across our manufacturing operations. In 2022, we exceeded our initial target and achieved 31% emissions intensity reduction since 2020 and have already reached 63% renewable electricity and 36% renewable energy across our manufacturing footprint. We are currently reviewing revised target setting options for emissions reduction across Scopes 1 and 2 incorporating our full global footprint in 2022. We are also increasing verticalization to improve our resilience and therefore decrease greenhouse gas emissions from transportation and supplier manufacturing processes.

G. Increasing frequency and severity of climate hazards generating financial impacts on company assets.

Classification: Physical risk exposure

Impact Area: Operations

Time horizon: Medium-term and Long-term

Approach: In 2022, we completed a physical risk assessment of our top 100 company assets by value against seven climate hazards based on CMIP5 and 21 NASA models for RCP 8.5 and RCP 4.5. Modeled physical hazards include temperature extremes, coastal flooding, drought, wildfire, tropical cyclone, water stress and fluvial flooding.

We were able to quantify the financial risk impact including percentage at risk and absolute risk (mUSD). In both the 2030s and 2040s scenarios analyzed, we predict a low level of physical risk to the hazards assessed. Water stress is predicted to be the fastest growing risk by the 2030s, with the absolute risk on average increasing from a baseline by 27% each year. Coastal flooding is predicted to increase by 15% each year by the end of the 2030s. Also, during the 2030s, wildfire and fluvial flooding are predicted to account for more than 69% of the total financial impact. Water stress and wildfires are predicted to account for more than 68% of the total financial impact in the 2040s. Water stress is predicted to be the fastest growing risk by the 2040s, with the absolute risk, on average, increasing from a baseline by 17% each year. Coastal flooding is predicted to increase by 10% every year by the end of 2040s.

We plan to periodically revisit this assessment and are strengthening our localized site reporting of water withdrawal, discharge and consumption through AGCO STAR and will work with sites located in areas designated as high-risk for water stress on sustainable water management strategies.

OPPORTUNITIES:

H. Develop products that support the sequestration of carbon (trapping more carbon in soil).

Classification: Products and services

Impact Area: Research and development

Time horizon: Short-term

Approach: We have committed to the development of new sensors, technologies, and machine features to support soil health and carbon sequestration as part of our 2020 sustainability strategy. Our product portfolio already includes various technologies that help better manage crop residues, enable cover crop seeding, reduce machine load, enable no-till planting, and prevent soil erosion and compaction.

In 2022, we launched Radicle Agronomics, a set of new soil sampling and soil-analysis tools designed for use by agronomists to improve quality and consistency of soil measurement.

Radicle Agronomics™ includes:

- Radicle Lab™, the world’s first fully automated soil laboratory. A self-contained, small-footprint, self-calibrating unit with the ability to run hundreds of samples completely unattended
- Microflow technology™ is the chemistry built into the Radicle Lab which enables automation of the soil sample analysis
- GeoPress™ mounts on any field-ready vehicle and automatically blends and stores a soil sample in a geo-referenced usable container
- Radicle Agronomics cloud-based software connects all steps from the field to the lab process.

Beyond this, AGCO is partnering with a number of carbon farming programs to automate the data-entry and data-transfer process for farmers seeking to participate in carbon credit programs.

I. Improve energy efficiency and switch to renewable energy via on-site generation or virtual power purchase agreements (vPPAs), reducing energy costs and emissions, and potentially leveraging an internal carbon price to fund investments.

Classification: Resource efficiency and energy source

Impact Area: Operations

Time horizon: Short-term

Approach: We are committed to reducing greenhouse gas emissions across our manufacturing facilities and business operations worldwide to limit our impact on climate change. In 2022, we exceeded our goal to decrease operational greenhouse gas intensity by 20% from a 2020 baseline across our manufacturing operations by achieving 31% emissions intensity reduction. We continue to work towards our goal of 60% renewable energy consumption across our manufacturing footprint

by 2026. We are currently reviewing revised target setting options for emissions reduction across Scopes 1 and 2 incorporating our full global footprint.

Energy efficiency measures and the increased use of renewable energy sources will continue to be leveraged to achieve these targets.

Centralized energy efficiency tools and internal targets ensure that across the portfolio we are consistently evaluating and implementing energy efficiency projects such as lighting, HVAC system improvement, reduction of baseload energy use, and replacement of inefficient equipment.

We work to increase the consumption of renewable electricity by using a combination of solutions across the portfolio, utilizing region- and market-specific opportunities such as green supply contracts, unbundled EAC purchase projects and the consideration of value-adding vPPA agreements.

SUMMARY OF AGCO’S CLIMATE-RELATED RISKS AND OPPORTUNITIES INCLUDED IN SCENARIO ANALYSIS.

	CATEGORY	AGCO’S KEY CLIMATE-RELATED RISKS AND OPPORTUNITIES
TRANSITIONAL	Policy and Legal	<ul style="list-style-type: none"> + Risk of increased operational costs due to carbon pricing/taxes/cap or increased logistics/supply costs + Risk of increased regulation of water use and/or fertilizer use requiring farmers to modify water/fertilizer use or incur additional costs
	Technology	<ul style="list-style-type: none"> + Risk of costs to adopt/deploy new technology and processes to reduce AGCO’s greenhouse gas (GHG) emissions + Opportunity to develop products that support the sequestration of carbon (trapping more carbon in soil) + Opportunity to improve energy efficiency and switch to renewable energy via on-site generation or virtual power purchase agreements (vPPAs), reducing energy costs and emissions, and potentially leveraging an internal carbon price to fund investments
PHYSICAL	Chronic	<ul style="list-style-type: none"> + Risk of increased temperatures leading to reduced crop yields from heat stress to crops and increases in pests and diseases.
	Acute	<ul style="list-style-type: none"> + Risk of disruptions to critical suppliers/supply infrastructure due to climate-related extreme weather events + Risk that increased extreme weather (e.g., flood, fire, and drought) reduces crop yields and quality. + Increasing frequency and severity of climate hazards generating financial impacts on company assets. (New 2022)

In addition to purchasing solutions, on-site solar PV systems are operational at a number of AGCO sites, and the implementation of similar systems in other locations are intended to contribute to reduced energy costs and lead to a reduction of our greenhouse gas footprint.

We are increasing the use of bio-diesel instead of conventional diesel fuel in on-site vehicles and processes, applying energy- and heat-recovery technologies, and using biomass-based heating solutions, as well as exploring opportunities in electrification of natural gas and other fossil fuel usage for processes and on-site vehicles.

2. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

The TCFD Working Group, representing multiple facets of AGCO’s business, supported AGCO’s 2021 climate scenario analysis of each risk and opportunity. From this analysis, AGCO generally anticipates higher risk exposure in an Inaction scenario (RCP8.5) than in a well-below 2 degree (WB2D), scenario (RCP2.6), specifically pertaining to the identified physical risks.

From our 2021 scenario analysis, we recognize that climate-related physical risks that have the potential to affect crop production could impact our revenue growth and business operations. As part of our strategy, we aim to drive successful outcomes for our farmers and provide the right equipment, technology, data, and advice to solve farmers’ most pressing challenges, including the impacts of climate change. Examples include investing in our precision agriculture capabilities and solutions, rapidly advancing smart machine capabilities that leverage data to drive yield improvements and reduce waste and expanding our offering of retrofit technologies and distribution channels to rapidly deploy new technologies to the market.

We are also working to minimize the risk of disruption to our supply chain through mechanisms such as localization, dual-sourcing and vertical integration of our supply chain. These mechanisms will better position AGCO to mitigate disruptions from climate-related weather impacts.

AGCO’s existing investments in on-site renewable energy, energy efficiency programs, electrification of operations and products, and precision agriculture and digitization provide significant prospects to capitalize on the identified climate-related opportunities. We anticipate that investments will not only reduce carbon emissions, but also drive revenue growth as society moves toward a lower-carbon economy.

3. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Society’s response to climate change will drive the ultimate effects of climate change and climate-related opportunities. We have assessed the priority risks and opportunities identified by the TCFD Working group under two different climate scenarios: one aligned to RCP 2.6 that captures aggressive mitigation, and one aligned to RCP 8.5 that represents the worst-case scenario. As climate change continues to affect the means by which we do business, we will continue to monitor the landscape to determine which scenario unfolds. In a WB2D scenario, we predict transition risks to be the main factor in driving business opportunities, while in the Inaction scenario we predict physical impacts to be more prevalent.

We will continue to invest in new technologies not only to reduce our Scope 1 and Scope 2 emissions through renewable energy and energy efficiency measures, but also to develop products that will allow our farmers to capitalize on opportunities such as precision agriculture, connectivity, automation, robotics, electrification, and alternative fuels, thus reducing our Scope 3 emissions as well. We will also continue to evaluate implementation of regulations that will affect both our business and our farmers with the goal of driving consistent revenue growth for all parties. Lastly, our suppliers play a crucial role in our business, so we will continue working alongside suppliers and industry partners to co-develop new product solutions, minimize delays, and increase transparency for our customers. AGCO is a key participant in the agriculture industry, and we believe that our operational agility, and our continued emphasis on understanding our potential risks and opportunities, will allow us to have a resilient business strategy that will enable us to live up to our corporate purpose of providing ‘farmer focused solutions to sustainably feed our world’.

Risk Management

1. Describe the organization’s processes for identifying and assessing climate-related risks.

In 2021, AGCO established a TCFD Working Group which included representatives from Risk Management, Legal, Purchasing, Materials and Logistics Management, Sales and Marketing, Finance, Manufacturing Operations and Supply Chain, among other functions, to identify and assess climate-related risks and opportunities. The TCFD Working Group worked alongside an external consultancy to understand climate-related

risks and opportunities specific to the heavy manufacturing and agriculture industries. Through desk research, peer benchmarking and review of industry risk barometers, the TCFD Working Group consolidated and prioritized risks and opportunities specific to AGCO for further analysis and alignment with our ERM criteria.

Assessment of sustainability risks – including risks related to climate change impacts, environmental impact on operations and corporate social responsibility – is integrated into AGCO’s enterprise risk assessment (ERA) process. Sustainability risks, including climate risks are assessed together with strategic, operational, financial, and legal risks annually.

Each identified risk and opportunity is prioritized by impact and likelihood. Our enterprise risk management impact ratings range from 1 (insignificant) to 5 (extreme). The likelihood ratings range from 1 (rare) to 5 (almost certain). As part of our scenario analysis, we compared the projected physical impacts of climate change to key markets in which AGCO operates. We also qualitatively assessed the impact on AGCO’s supply chain, operations, and customers.

2. Describe the organization’s processes for managing climate-related risks.

During the annual ERA, countermeasures to reduce these risks are developed as part of our risk management approach. Climate risks are also integrated into “AGCO STAR” (Sustainability Tracking and Reporting), an ESG information management tool built on the Enablon platform to support our long-term visibility and ongoing identification, assessment, and management of climate-related risks and opportunities. AGCO STAR captures both inherent probability and impact as well as residual probability and impact following implementation of controls to mitigate risk.

As a continuation of strengthening our risk management processes, in 2022, we undertook a quantitative climate risk assessment project to develop a better understand the impact of physical climate change risks to our top 100 company assets by value.

3. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

AGCO’s corporate risk framework provides a structured and comprehensive approach to identify, prioritize and manage risks across the company. It is designed to drive consistency across risk type, and to monitor key risks, including climate change. While risk is monitored and discussed quarterly through our Management Risk Committee as part of standard business

operations, the Board has responsibility for risk oversight, and reviews top-level, strategic, operational, financial and compliance risks.

Metrics and Targets

1. *Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.*

At AGCO, we recognize the threats presented by climate change and climate-related events and incorporate those threats into our risk mitigation strategies. To determine the consequences and likely timelines of these threats, we continue to monitor several metrics including global carbon prices, technology innovation, and climate-related weather events. Additionally, we monitor global greenhouse gas emission regulations and trends to determine whether the business-as-usual or the WB2D scenario is more likely to occur

2. *Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.*

AGCO's first GHG emissions inventory covered our footprint from our direct operations within our manufacturing facilities and were used as baseline for setting our current targets. Our GHG emissions 2020 baseline is as follows:

- Scope 1: 50,269 tCO₂e
- Scope 2: Location-based: 91,287 tCO₂e
- Scope 2: Market-based: 50,259 tCO₂e

In 2022, we calculated the Scope 1 and 2 emissions for our total business operations, expanding the population from manufacturing sites only as reported in 2020 and 2021. This expanded number of locations covers various facility types including manufacturing sites, warehouses, assembly centers and offices. For transparency, consistency, and tracking progress against our initial targets, we will continue to report Scope 1 and 2 emissions of our manufacturing facilities separately as well as the emissions of our total business operations.

We are using Scope 2 market-based figures for reporting and target progress-tracking purposes. Scope 2 location-based figures are tracked for information only.

In 2022, for the first time and coupled with a materiality assessment, we have calculated our Scope 3 value chain emissions. Our 2022 Scope 3 emission are outlined in [GRI 305-3](#)

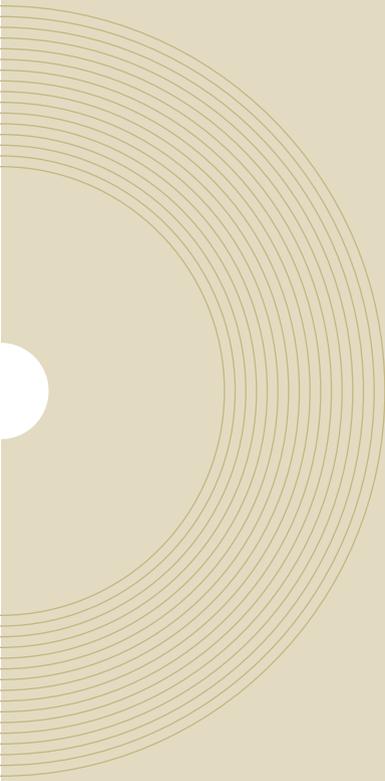
3. *Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.*

AGCO is continuously increasing the level of ambition of our climate mitigation efforts. We have formally set the following goals:

- to decrease GHG emissions intensity at our manufacturing facilities 20% by 2026, compared to a 2020 baseline (achieved)
- to reach 60% renewable energy at our manufacturing facilities by 2026
- to expand our Reman offering, targeting 150% of 2020 baseline revenue by 2025
- to deliver a 100% connected fleet by 2025
- to make the Fendt e100, a fully electric battery tractor, commercially available before 2025.

New products such as the Fendt e100 and our investment in precision agriculture technologies are examples of how AGCO is taking part in the transition to a low-carbon economy.

We disclose climate-related metrics to track progress toward our goals in our annual Sustainability Report. Our new AGCO STAR sustainability tracking and reporting system is now rolled out globally and assists with the tracking of our performance against our corporate sustainability goals.



ABOUT THIS REPORT

AGCO established a new global sustainability function in 2020. This is our third sustainability report since 2014. This sustainability report provides a concise overview of our strategic priorities for sustainability as well as progress against our commitments and goals. 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. 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, 2022 (FY2022) unless otherwise stated. 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 2022 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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