



# Farmer First. Future Focused.

2023 SUSTAINABILITY REPORT



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A letter from our CEO

## Putting farmers first to sustainably feed the world

Agriculture is among the world's oldest industries. Throughout the centuries, it has always been about feeding communities and nurturing the land. Today, this remains the goal of millions of hard-working farmers worldwide. They are uniquely positioned to address two challenges: feeding our growing population and combating climate change. In fact, modern farmers are tasked with feeding more than 8 billion people in more resource-efficient ways and on limited land. It is a tremendous opportunity for AGCO and farmers alike.



**In 2023, we accelerated our Farmer-First strategy to provide farmers with more precision ag and clean technology solutions while planning for their future needs.”**

When we put farmers first, everything else falls into place. Our Farmer-First strategy is about understanding farmers' pain points so we can better serve them. When we see challenges from farmers' points of view, we can provide them with profitable and sustainable solutions. Sustainability is inherent to our strategy; farmers want solutions that deliver benefits over the long term, as many pass down their businesses from one generation to the next. Farmers' success is vital to our success — from one farm and family to the next.

In 2023, we accelerated our Farmer-First strategy to provide farmers with more precision ag and clean technology solutions while planning for their future needs. We continued to invest in research and development (R&D) and engineering at a rapid pace, increasing this spending by 60% since 2020, with about 65% focused on smart machines and clean energy since 2021. A key product launch was the award-winning Fendt e100 Vario, our first battery-powered electric tractor, which eliminates exhaust emissions. Building on that momentum, we unveiled the Fendt e100 Vario Range Extender concept, which uses fuel cells to double the tractor's operating hours.







**We are investing in multiple pathways for clean energy products from electrifying lower horsepower products to developing hydrogen- and biomethane-compatible powertrains.”**

As we bring new products to market, we are also building a runway toward future innovation. And many are taking notice. The award-winning, fuel-flexible CORE75 engine earned Engine of the Year from the Diesel Progress Summit. It is one example of how we are helping farmers decarbonize their fields. We also are investing in multiple pathways for clean energy products — from electrifying lower-horsepower products to developing hydrogen- and biomethane-compatible powertrains. All AGCO engines are designed to run on lower-emission, renewable diesel fuel, and, over the next decade, we will continue to evolve AGCO Power CORE engines to offer new levels of efficiency and increased compatibility with sustainable fuels.

In addition to delivering clean, reliable power, we remain a leader in precision ag solutions. We provide targeted solutions for each phase of the crop cycle that enable farmers to reduce fertilizers, pesticides and other inputs while promoting healthy fields and optimized yields. Precision Planting is at the heart of these efforts, with its comprehensive solutions that can be retrofitted on any brand of equipment. For instance, the brand’s SymphonyNozzle solution helps farmers achieve constant pressure and consistent droplet size while reducing overlap. Conceal and Clarity are both examples of new technologies recently introduced to optimize fertilizer application. And Radicle Agronomics — the first major change to the soil testing process in nearly a century — provides growers with tools to make soil nutrient management more effective, efficient and precise.

It is not just forward-looking solutions but also inclusive opportunities that help farmers create a more nourished, equitable world. With that in mind, we expanded our commitment through

the AGCO Finance Climate Journey Fund to €100 million to support farmers to transition to climate-smart agricultural practices. When it comes to sustainable solutions that put farmers first, we’re doubling down on the good we can do.

In 2023, we announced a joint venture (JV) with Trimble that, when it closes, will further strengthen our farmer focus and will transform our precision ag journey. Upon closing, we will create an industry-leading, mixed-fleet platform of smart, autonomous farming solutions. The JV will accelerate our ability to deliver sustainability solutions, facilitate the path to global food security and support farmers with technology solutions by helping them achieve higher yields while using inputs more efficiently. The JV’s offerings will include water management solutions as well as the Connected Climate Exchange which supports the verification and auditing of carbon credits.

**Sustainability is woven into the fabric of our company.** As we build value for customers through efficient solutions that achieve more with less, we embrace the same spirit across our global sites. After exceeding our initial emissions-reduction target in 2022, we set a new target to reach the next milestone of our long-term climate goals. We are focused on reducing our enterprise-wide absolute Scope 1 and 2 emissions 55% by 2033 and by 90% by 2050. I’m confident in our progress. Even while expanding our facilities and increasing production hours by 4% in 2023, we have achieved an impressive 4% reduction in absolute Scope 1 and 2 emissions from the previous year. Our global manufacturing operations are now run on 72% renewable electricity, and we have raised the bar on water management with a new target to further reduce our water consumption by 10%,

especially among our manufacturing sites in water-stressed regions.

**Transformative results require us to team up.**

We have set bold goals for ourselves because we know that when our people are aligned, there is no challenge they cannot overcome. For example, we are pursuing an ambitious safety performance target, and in 2023 our teams delivered the best safety result in AGCO’s history, with a double-digit improvement in our Total Case Incident Rate (TCIR) for the third consecutive year. Safety is one of many contributors to our employees’ wellbeing, which is central to delivering a positive employee experience. We work hard to cultivate an environment of inclusion where employees are inspired and feel they belong. Our 2023 Voices survey engaged approximately 23,000 employees, with 88% sharing that they were proud to work for AGCO and its brands.

I, too, am proud of our company and what we accomplished in 2023. Our employees remained highly engaged and achieved record levels of customer satisfaction. We also earned numerous awards around the world, including Sustainable Tractor of the Year at AGRITECHNICA. These efforts all contribute to how we are delivering farmer-focused solutions to sustainably feed our world. As always, we remain future focused. As I look to 2024, I am enthusiastic about where our sustainability journey will take us next.

Sincerely,

**ERIC HANSOTIA**  
Chairman, President and CEO



# About AGCO

AGCO is a global leader in the design, manufacture and distribution of agricultural machinery and precision ag technology. We work tirelessly to help farmers sustainably feed the world, with society's ever-changing demands for food and fuel in mind. As the agricultural landscape changes, so do we.

## Our purpose

is to deliver farmer-focused solutions to sustainably feed our world. We bring that purpose to life across our award-winning portfolio of brands.



## Our vision

is to be a trusted partner for industry-leading, smart farming solutions.

## Our brands

Our collection of leading brands is a large part of what makes AGCO so unique. They include:



# 31

Countries in our global footprint

# 140

Countries where products are sold

# 5

Leading global brands

# 3,100

Dealers and distributors





# 2023 sustainability highlights

We are doing our part to help farmers operate more sustainably and pushing ourselves to do the same. Here is how we continue to make progress.



## Investing in **PRODUCT INNOVATION**

**6**

Awards for sustainable, innovative products demonstrated at AGRITECHNICA, including the Fendt e107 V Vario winning Sustainable Tractor of the Year

**100%**

Existing AGCO Power engines fully compatible with hydrotreated vegetable oil diesel fuel

**\$549M**

R&D and engineering investment in 2023, a ~60% increase over the past three years

**~65%**

R&D spend invested in smart machines and clean technology since 2021

**161**

Agronomic research studies carried out worldwide in 2023

**\$750M**

High-margin revenue growth from precision ag sales

**20-30%**

Reduction in inputs needed to maximize yields with AGCO precision ag products

**~75,000**

Connected machines



## Promoting **ENVIRONMENTAL SUSTAINABILITY**

**15%**

Reduction in Scope 1 and 2 emission intensity and 3% reduction in absolute emissions from 2022<sup>1</sup>

**11%**

Reduction in energy intensity since 2022<sup>1</sup>

**72%**

Renewable electricity use<sup>1</sup>

**39%**

Renewable energy use<sup>1</sup>

**18 of 32**

Manufacturing sites using 100% renewable electricity

**>90%**

New target to divert and maintain >90% nonhazardous waste from landfills by 2026<sup>1</sup>

**10%**

New target to reduce absolute water withdrawals by 10% by 2026<sup>1</sup>



## Delivering **SOCIAL IMPACT**

**30%**

Board directors are women

**30%**

Board directors are ethnically diverse

**17%**

U.S. employees are ethnically diverse

**84%**

Participation in annual engagement and listen survey, up 5% from 2022

**15%**

Reduction in TCIR, on track to reach our 2025 target

**63%**

Manufacturing sites with International Organization for Standardization (ISO) 9001 Quality Management System certification

**2<sup>nd</sup>**

Annual Fendt Sustainability Forum hosted with the theme “Agriculture in the face of weather stress”

1. Manufacturing sites



# Our approach to sustainability

We are committed to integrating sustainability into our core business strategy, in line with our purpose to deliver farmer-focused solutions to sustainably feed our world. We firmly believe that the future of agriculture relies on the availability of smart, accessible technology solutions. This belief drives our global sustainability initiatives, as we strive to offer industry-leading tools and products that enhance productivity and sustainability for farmers worldwide.

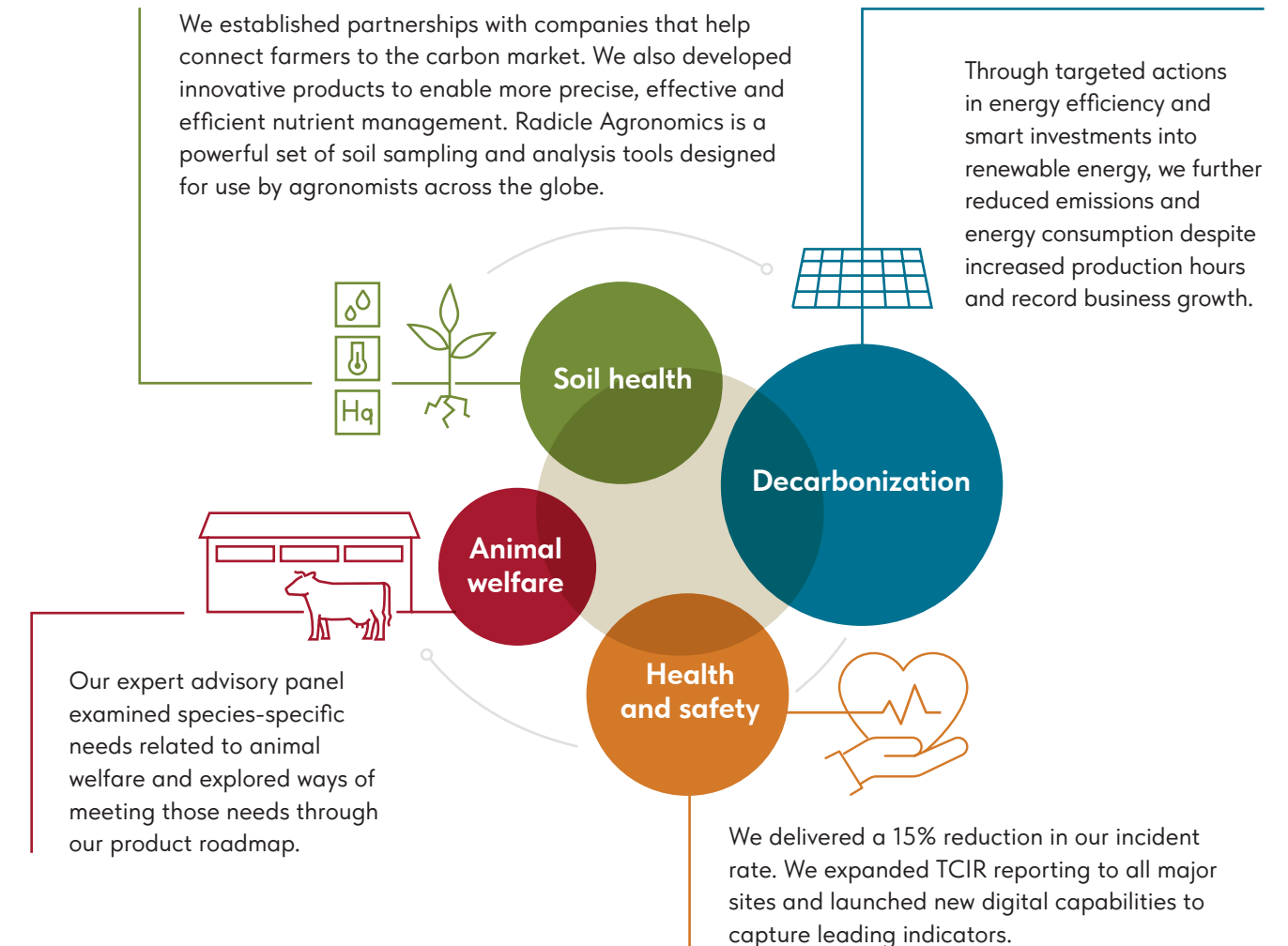


**Sustainability is integrated throughout our core business strategy. In all facets of our sustainability approach, we aim to make a significant positive impact by ensuring farmers have the machines and technologies they need to sustainably feed our world.”**

— **Roger Batkin**, Senior Vice President, General Counsel, Chief ESG Officer and Corporate Secretary, AGCO



**Our approach consists of four pillars that reflect areas where we can make a significant positive impact.**





## Zeroing in on key topics

Our success depends on understanding and responding to the changing world in which we operate. In line with our periodic evaluation of sustainability priorities, we conducted a double materiality assessment<sup>1</sup> in 2023 to identify the environmental, social and governance (ESG) issues that are perceived as being most important to our stakeholders. Our double materiality assessment provided us with important insights into the potential positive and negative impacts of our operations, products and wider value chain on society and the environment, as well as the financial risks and opportunities that could affect our business and farmers in the future. We are using these insights to refresh our sustainability strategy and reporting in 2024.

## Benchmarking and topic identification

Our double materiality process included mapping the sustainability landscape in our industry. This included a review of relevant sustainability frameworks and ratings, benchmarking AGCO against peers, and compiling a list of sustainability matters and definitions across ESG topics specific to our business.

## Stakeholder engagement

We engaged an extensive group of internal and external stakeholders to assess sustainability-related impacts, risks and opportunities. Participating stakeholders included farmers, investors, our senior leaders, employees in all geographies, suppliers, dealers and trade associations. In total, we conducted more than 150 interviews and surveys.

## Double materiality results

We evaluated stakeholder input based on a topic's potential impact on AGCO's operations and value chain, and the related financial risks and opportunities, to establish whether each topic met materiality thresholds. The results will be used to determine future reporting disclosures and for strategic business planning.



### Engaging our global stakeholders

To be truly Farmer First, it is essential we understand their activities, preferences and essential needs. Learn more about how we engage with farmers and other stakeholders in the [Engaging our stakeholders](#) section in the report Index.

1. Materiality for the purpose of the topics mentioned in this report and for determining our sustainability strategies, is different from the definition of materiality used in the context of our filings with the Securities and Exchange Commission (SEC). Items deemed material for the Sustainability Report may not be considered material for SEC reporting purposes.



The last five years in autonomous agriculture focused on the development of enabling technologies. Now AGCO is using these technologies to solve farmers' problems."

— Darcy Cook, General Manager at JCA Technologies









## Demonstrating progress on our commitments

We have identified various commitments and targets to keep us focused and measure our progress over time.

|   | COMMITMENTS  | ACTION  | 2023 PROGRESS |
|---|--|---|---------------|
|    | <b>DECARBONIZING OUR OPERATIONS AND VALUE CHAIN</b>                    |   |               |
|   | Reduce our energy and emissions across manufacturing footprint         | <ul style="list-style-type: none"> <li>15% reduction in Scope 1 and 2 GHG emissions intensity</li> <li>3% reduction in absolute Scope 1 and 2 emissions</li> <li>11% reduction in energy intensity</li> </ul>   | ✓             |
|   | Decrease Scope 1 and 2 absolute emissions 55% by 2033- and 90% by 2050 | <ul style="list-style-type: none"> <li>New target set in 2023</li> </ul>  | +             |
|   | Reach 60% renewable energy by 2026                                     | <ul style="list-style-type: none"> <li>39% renewable energy</li> <li>72% renewable electricity</li> <li>18 manufacturing sites running on 100% renewable electricity</li> </ul>   | ✓             |
|   | Invest in technologies to reduce carbon emissions of products in use   | <ul style="list-style-type: none"> <li>Launched Fendt e100 Vario in select markets in 2023 with commercial launch planned in 2024</li> <li>Developed Fendt e100 range extended concept in partnership with Blue World Technologies</li> <li>Won 2023 DLG Agrifuture award at AGRITECHNICA for an electrically driven weeding module and electric tractor combination</li> <li>Launched AGCO Power CORE50 engine</li> <li>Developed AGCO Power CORE50 eHydrogen prototype</li> </ul> | ✓             |
|  | Increase remanufacturing revenue to 150% of 2020 baseline by 2025      | <ul style="list-style-type: none"> <li>31% cumulative increase in remanufacturing revenue from baseline</li> <li>131% of baseline revenue in 2023</li> </ul>  | ✓             |
|   | <b>REDUCING THE ENVIRONMENTAL IMPACT OF OPERATIONS</b>                 |   |               |
|   | Divert and maintain >90% nonhazardous waste from landfill by 2026      | <ul style="list-style-type: none"> <li>New target set in 2023</li> </ul>  | +             |
|   | Reduce absolute water withdrawals by 10% by 2026                       | <ul style="list-style-type: none"> <li>New target set in 2023</li> </ul>  | +             |





COMMITMENTS

ACTION

2023 PROGRESS

SOIL HEALTH AND CARBON SEQUESTRATION

**Integrate sustainability into customer engagement activities**

- Integrated sustainability into brand engagement customer surveys
- Hosted quarterly farmer panel with AGCO leadership
- Held annual Fendt sustainability forum



**Integrate soil health best practice into Future Farms trials and global crop tours**

- Conducted 15 sustainability research trials in North America, Europe, South America and Africa focused on cover crops, tillage systems, alternative crops, herbicide and fertilizer reduction, alternative weed control and fuel reductions
- Published Agronomy Research Book for dissemination at farm shows and other events
- Conducted Agronomy Research Symposium to educate employees



**Support soil health improvements and carbon sequestration**

- Ran 50,000 soil samples in the first year since launching Radicle Agronomics and introduced increased reporting parameters like cation exchange capacity, a useful indicator of soil fertility
- Radicle Agronomics broadened the number of acres impacted, and the number of samples analyzed by its automated soil testing system increased by 112%
- Radicle Agronomics launched multistate, multiyear crop soil fertility crop response plots to lay the groundwork for more optimized, balanced nutrition that will benefit not only the crops grown, but also the health of the air, soil and water
- Established various carbon program partnerships to automate flow of farm data from AGCO machines
- Incorporated 87 global eco-labels focused on soil health and biodiversity protection into the scope of the AGCO Finance Climate Journey Fund
- Enabled improved soil-health practices across >17,000 acres through the AGCO Finance Climate Journey Fund



**Achieve a 100% connected fleet by 2025**

- 85% of global fleet connected\*



PROMOTING ANIMAL WELFARE

**Deliver animal welfare innovations across AGCO's protein brand portfolio by 2025**

- Leveraged our Cumberland, AP and Tecno brands to provide integrated systems to help poultry, swine and egg producers safeguard animal welfare, health and productivity
- Continued to align our product roadmap with recommendations from our independent Expert Advisory Animal Welfare Panel



\* Based on machines retailed and activated in 2023





## COMMITMENTS

## ACTION

## 2023 PROGRESS

## ELEVATING EMPLOYEE HEALTH AND SAFETY

Achieve a TCIR &lt;1.5 by 2025

- 15% reduction of TCIR to 1.86 in 2023
- Partnered with DuPont Safety Solutions to introduce behavior-based safety
- Introduced VelocityEHS® ergonomics program
- Introduced various improvement initiatives to reduce high-frequency injuries



## OUR GLOBAL WORKFORCE

Reach 75% employee engagement index by 2025

- Over 23,000 employees shared their voice in 2023
- 71% employee engagement index, a 2% increase from 2022
- 88% of employees “proud” to work for AGCO



Reach 25% women in leadership by 2030

- 19% women in leadership in 2023



ON TRACK



NEW







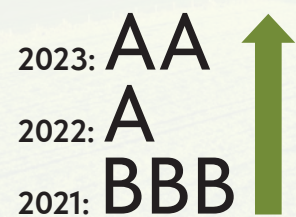
# ESG ratings and recognition

In 2023, we received many prominent awards and recognition, as well as strong ESG ratings for our company, brands and products. These included:

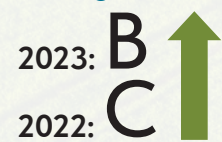
## ESG ratings

### MSCI ESG Rating

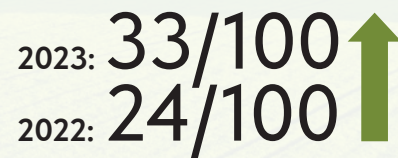
Scale: AAA to CCC



### CDP Climate Change Score



### S&P Global Corporate Sustainability Assessment<sup>1</sup>



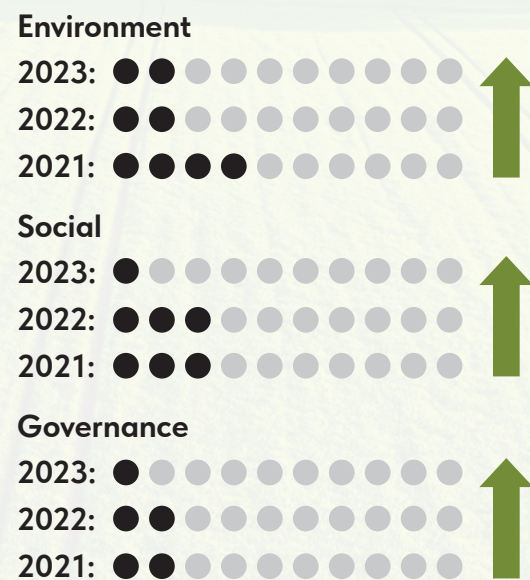
### Sustainalytics ESG Risk Rating

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



### ISS QualityScore

Scale: 1-10, with 1 being the best possible score



1. Scores without modeled score adjustment



In our relentless pursuit of sustainability excellence, our consistent year-over-year improvement in ESG ratings underscores our commitment to transparency and to embedding sustainability as a core component of our business strategy.”

— Louisa Parker-Smith, Director Global Corporate Sustainability and AGCO Agriculture Foundation, AGCO





# ESG ratings and recognition (continued)

## Corporate recognition

USA Today – America’s Climate Leaders

#3

in Capital Goods Industry sector

Newsweek – America’s Greenest Companies

4/5 stars ★★★★★

Newsweek – Most Responsible Companies

#19

in Capital Goods Industry sector

Newsweek – Most Trustworthy Companies in America

#24

in Machines & Industrial Equipment sector

Humankind Investments

#38

on Humankind 100 listing

## UN Global Compact Award

The UN Global Compact Network Ukraine awarded MHP-Gromadi Charitable Foundation and the AGCO Agriculture Foundation Partnership of Sustainability Award 2023 in the category “People” for the outstanding work supplying humanitarian aid kits and early childhood nutrition to internally displaced people in Ukraine.

Read more about the UN Global Compact Network Ukraine Sustainability Award 2023 [here](#).

## Brand awards

2023 DLG AgriFuture Concept Award  
“zero emissions, zero chemicals” concept

AGRITECHNICA’s Silver Innovation Award  
Radicle Agronomics

2023 Davidson Prize for agricultural engineering excellence  
Radicle Agronomics

2023 Diesel Progress Summit Engine of the Year Award  
AGCO Power Core75 Diesel Engine

Sustainable Tractor of the Year  
Fendt e107 V Vario

AGRITECHNICA’s Silver Innovation Award  
Fendt Slicer 960

CropLife IRON Showstopper Award  
ONE SMART SPRAY





# Purpose-Driven Innovation

When farmers prosper, they seed benefits for all. They cultivate a sustainable source of food — ensuring food security and addressing nutritional needs. They also create jobs in rural communities, generate significant economic value and play an important role in environmental stewardship. With this in mind, we are expanding our portfolio with products that put farmers first: solutions that empower farmers to continue their legacy of nurturing the land while sustainably feeding the world.

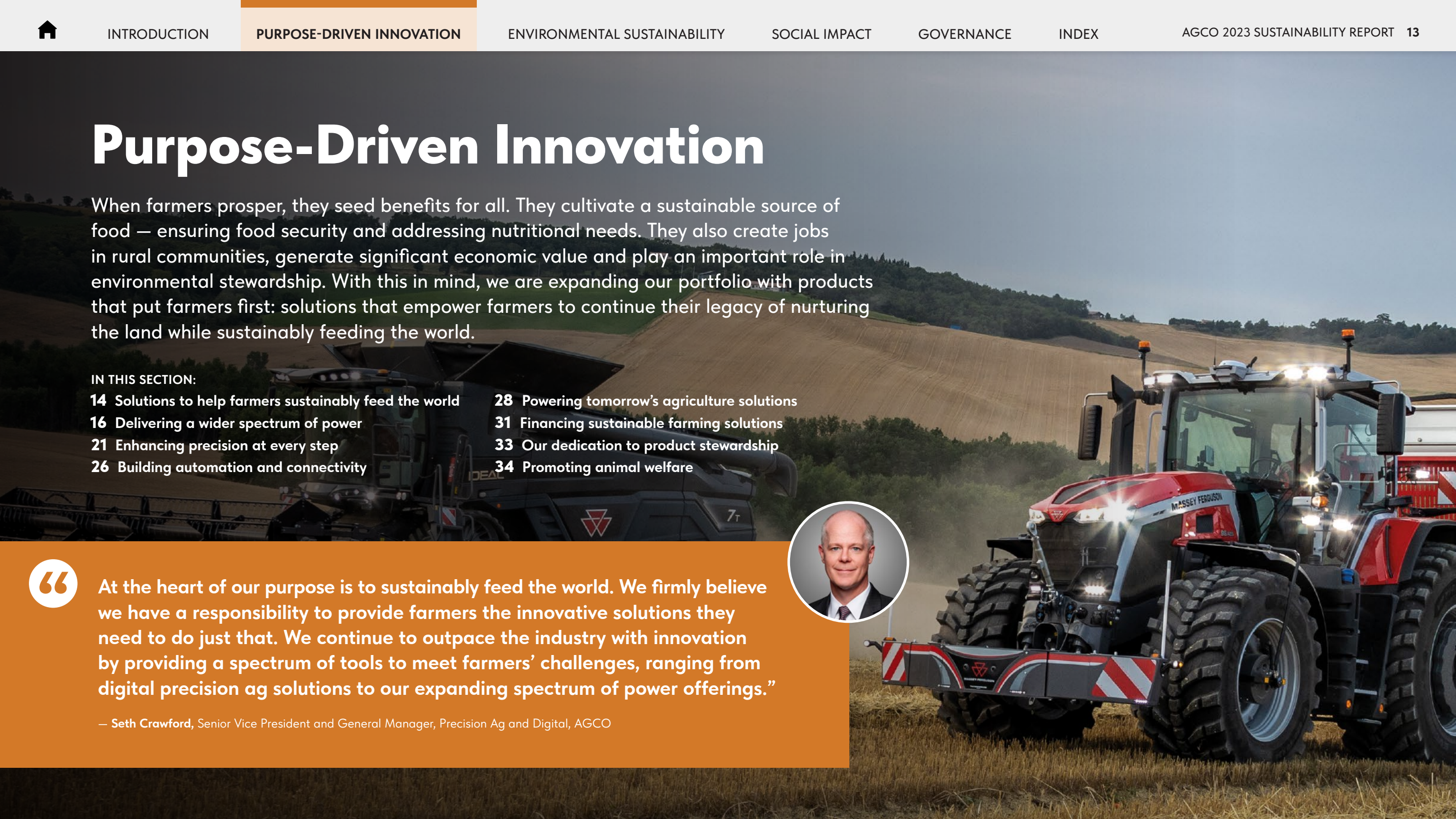
IN THIS SECTION:

- 14** Solutions to help farmers sustainably feed the world
- 16** Delivering a wider spectrum of power
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At the heart of our purpose is to sustainably feed the world. We firmly believe we have a responsibility to provide farmers the innovative solutions they need to do just that. We continue to outpace the industry with innovation by providing a spectrum of tools to meet farmers' challenges, ranging from digital precision ag solutions to our expanding spectrum of power offerings.”

— Seth Crawford, Senior Vice President and General Manager, Precision Ag and Digital, AGCO







# Solutions to help farmers sustainably feed the world

In 2022, the world population reached 8 billion and is poised to climb to nearly 10 billion within the next 30 years.<sup>1</sup> These changes will require important advancements in technology, infrastructure and science, yet they are also cause for concern. The World Food Programme estimates that more than 780 million people are struggling with hunger, equivalent to about one in 10 people worldwide.<sup>2</sup>



Feeding a growing population will require an uptick in food production, which could, in turn, cause further climate challenges. If emissions from agricultural land use continue their current trajectory, the World Resource Institute estimates that they will reach 15 gigatons (Gt) of carbon dioxide equivalent by 2050. In contrast, society must limit agricultural emissions to about 4 Gt by 2050 to keep global warming below 2°C above preindustrial temperatures.<sup>3</sup>

Farmers are on the front lines of these challenges, and with the right solutions they can play a critical role in sustainably feeding the world. We are here to serve them as a trusted partner — one that can help solve current pain points while proactively addressing future agricultural needs. Every farmer’s situation is different, so we are developing a range of smart and easily adaptable technologies. Our focus is on providing comprehensive solutions that empower farmers to reduce resource usage and emissions, protect essential farm ecosystems and take productivity to new heights.

**Our growing product portfolio is at the heart of our vision: Trusted partner for industry-leading, smart farming solutions**

## Our approach to innovation

Innovation is what powers us forward at AGCO, and our approach is simple:



**Provide exceptional customer experiences** that align with our brand promises



**Empower farmers to interact with our brands at every stage of the customer journey**, including online, via a trusted dealer or both



**Deliver high-quality, smart solutions** that produce sustainable agronomic and economic value to farmers

### Providing exceptional customer experiences

Seeking and responding to farmers’ feedback is the foundation of creating exceptional experiences that meet and exceed our customers’ expectations. One tool we have implemented across our global brands is a Net Promoter Score (NPS), which measures whether a customer would recommend AGCO’s brands, machines and dealers to others. Our NPS approach also includes questions to help us understand the factors that impact interactions along the farmer’s journey from their purchase experience to performance out in the field. We are actively leveraging this farmer feedback to drive improvements across our business and continue to see year-over-year improvements.

### Empowering farmers to interact with our brands at every stage

Our dealers are essential in delivering the customer experiences our farmers expect. Recognizing that farmers want to perform an increasing number of activities online, we continue to deploy digital tools across parts, service and financing while digitizing the customer experience. Together, these activities are changing the game — enabling us to serve farmers wherever and however they prefer.

### Delivering high-quality, smart solutions

We are here to help farmers grow their businesses and solve complex challenges, and in both regards technological innovation and adoption are key. We continue to innovate and expand our business in areas that deliver significant value to farmers, whether by boosting precision, supercharging efficiency or optimizing equipment and fleets.

1. United Nations, “Population.” <https://www.un.org/en/global-issues/population>

2. UN World Food Program USA, “10 Quick Facts on Global Hunger and the United Nations World Food’s Life-Changing Work.”

3. World Resources Institute





## Innovations that put farmers first

### A wider spectrum of power

Solutions for every horsepower enable farmers to decarbonize and upgrade their equipment and fleets. We are also future-proofing our machines by making them adaptable to a variety of alternative fuels.



### Enhanced precision at every step

Combining both hardware and software, precision solutions help farmers ensure they are protecting the soil and deploying the optimal amount of inputs in exactly the right place and at the right time. This sets the stage for nutrient-rich soils that can sequester and store carbon, reduce costs and inputs, and deliver robust yields year after year.



### Automation and connectivity

We are providing farmers with tools to maximize productivity by implementing advanced technologies backed by data from thousands of connected machines. Using onboard calculations, these tools enable a machine to sense and adapt to changing conditions in real time. They also empower farmers to proactively manage their operations, thereby reducing inefficiencies and effectively forecasting future needs.







# Delivering a wider spectrum of power

Our path toward decarbonization begins in our manufacturing plants and extends to farmers' fields. We pioneer integrating emissions-reduction technologies into our products. For example, in 2009 we were the first manufacturer to align with U.S. EPA Tier 3 standards by adopting Selective Catalytic Reduction technology in agricultural equipment.

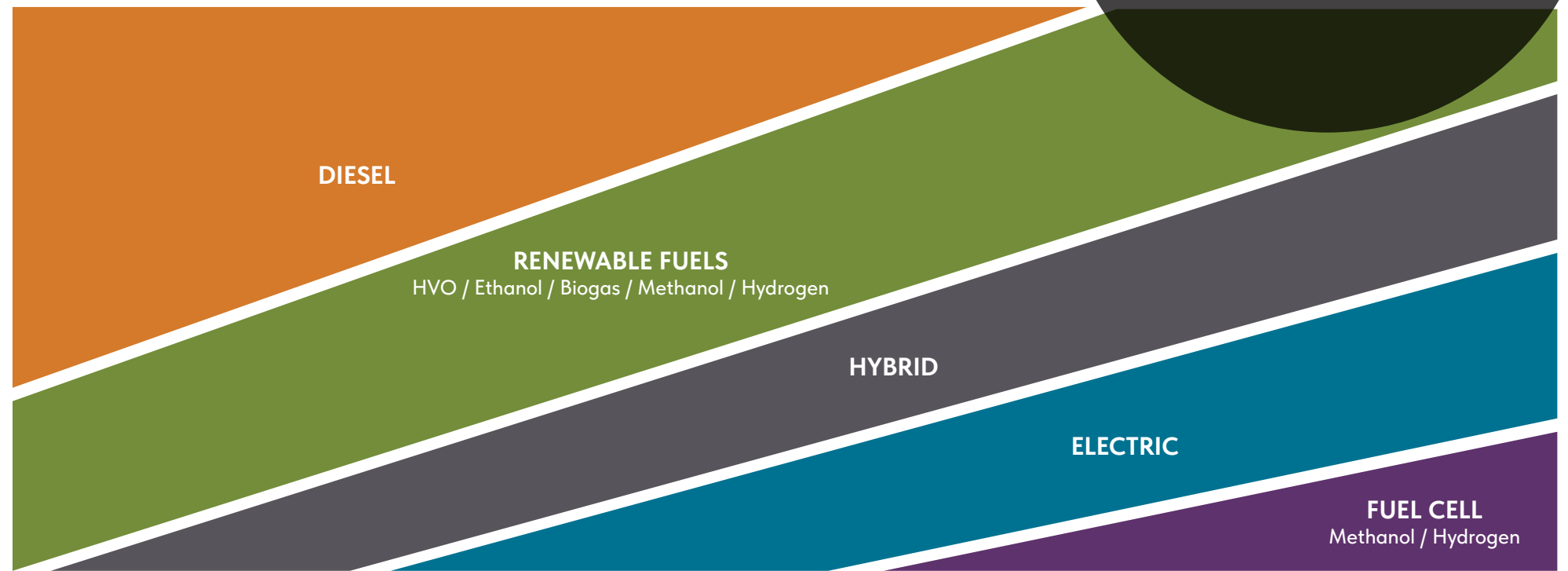
Today, our innovative spirit continues. We are developing next-generation clean technologies that deliver the power and flexibility farmers rely on — all while enhancing efficiency and reducing emissions from product use. Our approach is multifaceted, including high-, mid- and low-horsepower solutions, from highly efficient and fuel-flexible engines to hybrid and fully electric machines.

Not only have we established a clear direction, but we are also putting it into action and gaining industry acknowledgment along the way. At AGRITECHNICA 2023, we were proud to unveil Fendt's first electric tractor and see the Fendt e107 V Vario named Sustainable Tractor of the Year 2024. We also launched the latest addition to the AGCO Power CORE engine family, the AGCO Power CORE50, and the Diesel Progress Summit named the fuel-flexible Power CORE75 as Engine of the Year.

As we bring new products to market, we are also building a runway toward future innovation. Decarbonization is a journey, and with every new solution we are generating momentum toward a more sustainable future.

Our development of low-carbon products is essential to addressing our Scope 3 emissions. In 2023, we completed a Scope 3 inventory to inform our climate strategy and future product roadmap. Learn more about how we are addressing our operational, supply chain and product-related emissions.

AGCO POWER TECHNOLOGY ROAD MAP



EXTERNAL ENERGY MARKET ROADMAP

Low fuel consumption development → Robust electric components available → Sufficient electric infrastructure → eFuels widely available







## Our path to clean energy products

### Invest in multiple pathways

We serve farmers with a choice of clean energy solutions, from electrifying lower-horsepower products to developing hydrogen- and biomethane-compatible powertrains.

#### OUR PLAN IN ACTION

Reducing agricultural equipment carbon emissions will not happen in one giant leap but in several steps. We have committed to delivering three new powertrains over the next decade as part of our clean energy Scope 3 emissions-reduction strategy, including electric, hybrid and biogas options offered across our Fendt, Massey Ferguson and Valtra brands.

### Enable use of sustainable fuels

The evolution of sustainable fuels and product innovation go hand in hand. To accelerate our decarbonization journey, we are equipping internal combustion engines with new technology and future-proofing them by making them adaptable to electrofuels (e-fuels) from green hydrogen, as well as biomass and waste-based sustainable fuels.

#### OUR PLAN IN ACTION

Over the next decade, we will continue to evolve AGCO Power CORE engines to offer new levels of efficiency and increased compatibility with sustainable fuels.

### Focus on solutions that enhance sustainability while reducing farmers' costs

Innovations that support sustainability can also help farmers reduce inefficiencies, downtime and resource use, thereby minimizing overall costs.

#### OUR PLAN IN ACTION

In addition to offering reduced-emissions products, we are developing solutions for precision farming and a more circular agricultural economy.



Addressing our Scope 3 emissions provides an exciting catalyst for reinvigorating the innovations that propel our farmers forward. We are proud to provide farmers a choice in machinery that allows them to navigate their own decarbonization journey without sacrificing productivity.”

— Vinicius Alvim, Vice President, Global Product Management, AGCO





## Our latest clean-tech innovations

Throughout 2023, we continued to push our vision forward, both by launching outstanding new products and by demonstrating forward-looking innovations that will shape the agricultural landscape of the future.

### Fendt e100 Vario Range Extender: 2X operating hours per charge

The Fendt e100 Vario Range Extender concept builds on the benefits of the electric Fendt e100 tractor. AGCO Power teamed up with Blue World Technologies to develop the fuel-cell-based concept, which doubles the Fendt e100 Vario's operating time from four to up to eight hours. The concept runs on liquid methanol, which is converted into a hydrogen-rich gas that powers fuel cells, generating electricity that charges the tractor batteries while in operation. Prototypes and lab field tests have demonstrated the concept's early success. The project also highlights the importance of industry partnerships to help us power sustainable innovations.

Further, Fendt's E-Vario weeder can be combined with an electrically powered tractor, incorporating electrically driven weeding modules that optimize power consumption. The modular set-up enables easy adaption to multiple farming conditions and crops. Artificial intelligence (AI)-based plant and weed detection and two cameras for monitoring the process establish the foundation for full autonomy. This concept for a "zero emissions, zero chemicals" electric tractor and weeder won the 2023 DLG AgriFuture Concept Award at AGRITECHNICA.



Upon making its debut at AGRITECHNICA, the Fendt e107 V Vario was named Sustainable Tractor of the Year 2024. Fendt has been honored in the Tractor of the Year category seven times since the award's inception, more than any other brand awarded to date. Visit [Fendt's website](#) to learn more about its showing at AGRITECHNICA 2023.



## Fendt e100 series: A fully electric future starts now

AGRITECHNICA 2023 represented Fendt's largest industry trade show appearance to date. One of the highlights was the launch of the much-anticipated Fendt e107 V Vario, AGCO's first battery-powered tractor. The tractor is currently available to order in Germany, the Netherlands and Norway and will go into full production in 2024.

The Fendt e107 V Vario is powerful, compatible with all common attachments and emissions-free, offering a practical, sustainable solution for today and long into the future. It comes equipped with FendtONE system architecture, which enables owners to ensure the tractor's systems, sensors and software are always up to date.

The Fendt e107 V Vario provides exhaust-free operation and is light and compact — ideal for use in greenhouses and other enclosed spaces. Similarly, the Fendt e107 V Vario's compact dimensions are perfect for use in orchards and vineyards, or for municipal activities such as maintaining cycling paths. Many farms and municipalities generate renewable energy via solar panels, wind power or biogas. These inputs can be used to charge the Fendt e100 series, creating a closed energy cycle from generation to use. In addition to reducing emissions, our Fendt e100 series can decrease ownership costs, as some services such as engine oil changes are no longer needed.





Agriculture is currently going through a transformation and is looking for new propulsion solutions that can be aligned with climate protection. Green methanol is one suitable candidate, and, due to its liquid nature, it is possible to store it in a tank much like diesel fuel.”

— Kari Aaltonen, Director of Engineering at AGCO Power

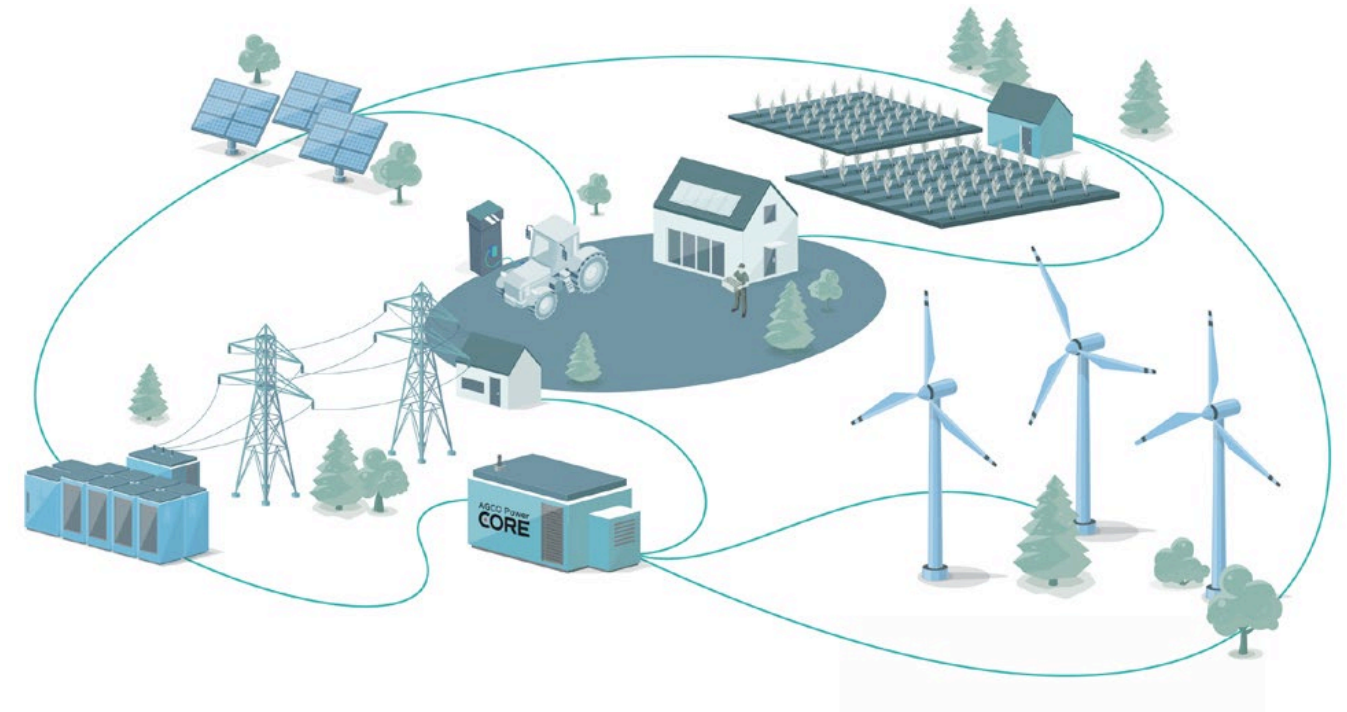


### CORE50 eHydrogen: The benefits of hydrogen and electricity combined

When it comes to flexibility, the AGCO Power CORE engine platform is unmatched. Our new eHydrogen mild hybrid concept combines the best of hydrogen and electricity, making it a win on both the sustainability and power fronts. To create the concept, we converted the 5-liter CORE50 into a hydrogen engine prototype that runs CO<sub>2</sub>-free. We then fitted it with battery-electric drivetrain components to deliver added power and torque.

### AGCO Power Microgrid: Providing intelligent power storage and control

Our AGCO Power Microgrid concept addresses three common pain points: electric power management, availability and cost. The concept functions as a personal smart grid, which provides reliable, uninterrupted power from the most cost-effective source at a given time. It is an intelligent solution to manage and store power from wind and solar plants, backup generators, battery packs or the grid — power that can be used to support farming operations or entire communities.







The outstanding results of the independent DLG PowerMix test show that our engineering team has developed a highly efficient and all-around exceptional machine with the Fendt 728 Vario. The combination of power and low fuel consumption makes it possible for farmers to work economically and to also protect the environment.”



— Roland Schmidt, Vice President of Marketing at Fendt

### Maximizing fuel efficiency

Products that are fuel efficient deliver dual benefits to farmers, enabling them to reduce fleet emissions and operating costs alike. AGCO tractors continue to lead in this regard, with efficiencies built into nearly every component and results backed by independent tests. In 2023, the new Fendt 728 Vario underwent the PowerMix test of DLG, the German Agricultural Society. The machine demonstrated a 5% improvement in fuel efficiency over the nearest competitor, making it the most economical and fuel efficient tractor in its class. In fact, of all the tractors ever tested by DLG PowerMix, Fendt tractors hold five of the top six places.

### Enhancing efficiency with our most advanced engine family yet


We specifically designed our AGCO Power CORE engine platform with emerging technologies, fuels and regulations in mind. The AGCO Power CORE75 engine — our most

efficient engine on the market — is compatible with hydrotreated vegetable oil, biodiesel and other alternative fuels. In 2023, we launched the AGCO Power CORE50 engine. The CORE50 engine is equipped with an advanced emissions control system, offers excellent fuel economy and can be converted for use with hydrogen and other alternative fuels. All AGCO engines are designed to run on lower-emissions, renewable diesel fuel. To accelerate further innovations, we are building a clean energy laboratory, planned to open in Linnavuori, Finland in 2024.

### Transmissions designed to stop energy loss in its tracks

Transmissions are another key aspect of energy efficiency; energy loss can occur when power transfers from a machine’s engine to its tracks, tires or attachments. Our continuously variable transmissions are known for their ability to minimize energy loss and deliver up to a 10% reduction in fuel consumption. Along with various other components, our transmissions also incorporate lightweight, high-strength materials

that enable additional fuel savings by reducing the tractor’s weight. To further advance our development of fuel-efficient tractors and other equipment, we made additional investments into our production of continuously variable transmissions in 2023.



All of our equipment meets Europe’s toughest emissions and safety standards and exceeds standards established in other global regions. [Learn more](#) about our commitment to product quality and safety.

### Testing Synthetic Fuels

For diesel-powered vehicles, a breakthrough alternative may be on the way via a project to develop e-fuel from green hydrogen and carbon dioxide. The project coordinator, VTT Technical Research Center of Finland, has successfully produced electric diesel on a pre-commercial scale. Ultimately, the project is targeting the development of e-fuel production that can be scaled to the industrial level.

AGCO Power is partnering with VTT and playing a critical role in advancing the project to its next phase. In November 2023 — at AGCO Power’s Linnavuori plant in Finland — the new e-fuel underwent practical testing in a diesel-powered tractor for the first time. The e-fuel can be used to replace fossil diesel fuel and is compatible with hard-to-electrify machines, such as heavy road vehicles, maritime transport and agricultural equipment. This makes it a promising tool for reducing greenhouse gas (GHG) emissions, both in the agricultural and transportation sectors and beyond.







# Enhancing precision at every step

Much of a farmer’s work has to do with proactive crop cycle management: The art and science of providing the right inputs in the right place at the right time. Productive farming requires nutrient-rich soil, seeds, water, fertilizer, energy, weed control and more, all of which enable farmers to grow and nurture healthy crops. To minimize negative environmental impacts and operating costs, we must help farmers manage these resources carefully. Our approach: Technologies and digital solutions that dramatically increase precision, empowering farmers to use less, spend less and still achieve better results.

Offering precision ag solutions that optimize yields, promote healthy fields and preserve farmer profitability is one of AGCO’s strengths and an area that we continue to prioritize for investment. Our Precision Planting brand leads these efforts, which we have bolstered through our acquisitions of Appareo, Headsight and JCA Technologies in recent years. In 2023, we announced a planned joint venture with Trimble, which is expected to close in the first half of 2024 conditional on regulatory approvals. Upon close, this transformational deal will create an industry-leading global mixed-fleet precision ag platform. We also signed an agreement to acquire the NEXT Farming software unit from FarmFacts GmbH, a leader in farm management information software (FMIS). This will enable us to increase our FMIS offerings and software development capabilities to better serve farmers’ data management needs. We see these investments as a triple win for the farmers we serve, helping them achieve healthy fields, better yields and increased profitability.

**In research trials conducted at AGCO’s agronomy smart farms – and in field-based studies with farmers – our precision products have demonstrated a 20%-30% reduction in the inputs needed to maximize yields.**

## Investing in innovation through AGCO Ventures

Through AGCO Ventures, we are sourcing and funding new technologies to drive innovation and support farmers worldwide. Launched in 2023, this initiative actively connects our business needs with industry and market perspectives to identify investment opportunities in startup companies, corporate venture funds, incubators, accelerators, higher education and research institutions. AGCO Ventures supports the accelerated development of critical capabilities and competencies across three strategic areas:

- Information management and analytics
- Agriculture technology
- Environmental and alternative fuel sources







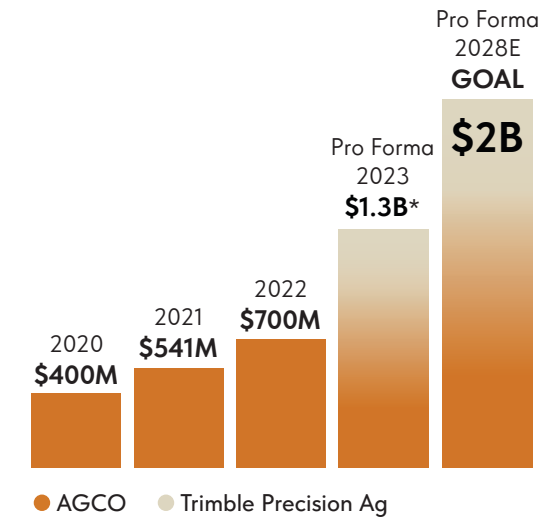
## Achieving scale through retrofit

From soil sampling and planting to fertilization and weed control, our precision products have solutions for every season. These products enable farmers to more consistently produce healthy yields. Precision products also are good for the environment, leading to improved soil health, which enhances carbon sequestration. Additionally, they support energy savings and smarter resource usage, which can help farmers minimize both costs and GHG emissions.

To make precision solutions more broadly accessible, we offer them as retrofit technologies as well as factory-installed. Since fewer than 10% of planters and sprayers are replaced by farmers each year, we have adopted a retrofit-first approach, based on both market opportunities and farmers' needs. This approach enables farmers to gain the benefits of precision farming without replacing still-functioning equipment or waiting for a machine's end of life.

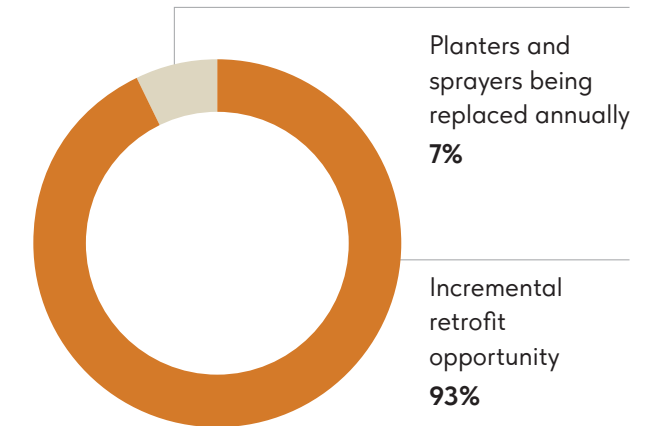
Many of these tools are available at a fraction of the price of equivalent new products. They are also adaptable to equipment from a range of manufacturers, giving farmers the flexibility to leverage mixed fleets and make the most of what they already own. By extending product life cycles, retrofit products reduce the associated emissions, energy and other resources required to manufacture new products. For these reasons, we see retrofit and precision technologies as a key lever for decarbonization and future growth.

### DRIVING HIGH-MARGIN REVENUE GROWTH THROUGH PRECISION AG SALES



\*Revenue estimate includes pro forma impact of AGCO/Trimble Ag Joint Venture historical businesses and does not reflect any transaction accounting adjustments

### RETROFIT OPPORTUNITIES



Estimate based on the North American market







## Delivering the next generation of mixed-fleet solutions with Trimble

In 2023, we announced a new joint venture (JV) with Trimble that, when it closes, is expected to create an industry-leading, global mixed-fleet precision ag platform – the largest ag-tech deal ever. The close of the transaction is subject to obtaining regulatory approvals. The newly created JV, which will include Trimble’s agriculture business and our JCA Technologies business will be the exclusive provider of Trimble’s industry-leading technology that will support the future development and distribution of next-generation agricultural products, and, subject to regulatory consents, and AGCO will own 85% of the joint venture.

These user-friendly technologies are compatible across farm types, equipment models and brands. They encompass hardware, software and cloud-based applications that enhance farm management from land preparation to planting and seeding to harvest. Trimble’s guidance controllers, radios and receivers help farmers calculate the actual position of their equipment for improved accuracy, even in difficult conditions. Complementing this, Trimble’s wide selection of assisted and automated steering systems ensures farmers can steer their vehicle in line with maximum precision.

The JV, will enhance and accelerate our company’s growth ambition around autonomy, precision spraying, connected farms, data management and sustainability. The transformative nature of this deal will result in AGCO offering a comprehensive suite of disruptive technologies across the crop cycle to address farmers’ needs of tomorrow.

Critically, the technology offered through the JV will help farmers transition to more sustainable farming practices. The agriculture industry uses approximately two-thirds of the world’s fresh water,<sup>1</sup> and Trimble’s water management solution enables farmers to consume less. Meanwhile, as fertilizers and chemicals face increased regulation, the JV will build on AGCO’s precision spraying technology to help farmers meet these challenges with a depth of smart nozzle expertise.

**Trimble guidance displays and steering solutions help farmers accurately monitor and map field information in real time**



**This landmark transaction creates a JV that, upon close, is expected to become a leader in mixed-fleet precision ag in the world and accelerate AGCO’s strategic transformation. The deal significantly enhances AGCO’s technology stack with disruptive technologies that cover every aspect of the crop cycle, which ultimately helps us better serve farmers, no matter what brand they use.”**

— Eric Hansotia, Chairman, President and CEO



1. World Wildlife Foundation, “Water Scarcity.”





## Targeted solutions for each phase of the crop cycle

Our precision technologies reflect our Farmer-First mindset, helping farmers use fewer resource inputs and machine passes to produce more food. Here is how these technologies transform crop cycle management:

### PREPARING FOR SUCCESS

Soil sampling is the first step to ensure healthy harvests – the more frequent and granular, the better. Radicle Agronomics, our game-changing innovation for agronomists, provides professional growers with tools to make soil nutrient management more effective, efficient and precise. Radicle’s technology revolves around its pioneering Radicle Lab, the world’s first fully automated soil laboratory.

Now, agronomists can accurately test hundreds of unattended samples, replacing manual, error-prone processes with the small footprint, simplified workflows and self-calibration technology of the integrated lab. For farmers, this will help take the guesswork out of resource

planning, equipping them with the best information possible as they plant and tend to their crops. Soil testing is one of the most important agronomic processes on a farm, and this is the first major change to the soil testing process in nearly 100 years.

In 2023, Precision Planting earned AGRITECHNICA’s Silver Innovation Award for Radicle Agronomics. It also earned the prestigious Davidson Prize for extraordinary innovation and impact in agricultural systems. The Davidson Prize is awarded by the American Society of Agricultural and Biological Engineers and the Association of Equipment Manufacturers.

### PLANTING THE SEED

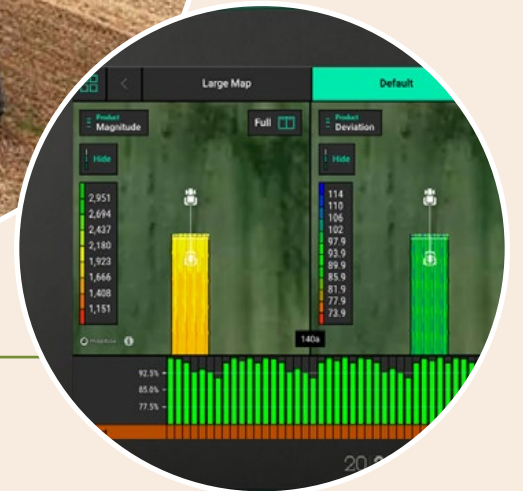
Seeds represent the potential for future value and nutrition, and they must be planted with care. Our products such as SmartFirmer, Momentum Planter, Reveal row clearer and FurrowForce closing systems enhance planting precision while minimizing soil disturbance.

### PROMOTING HEALTHY GROWTH

Fertilizer use and practices are among the biggest opportunities for sustainable practices globally. When used effectively, a minimal amount of fertilizer can facilitate healthy growth and reduce the number of passes a machine must make. This is beneficial for soil and environmental health. Our Conceal precision fertilizing technology places nitrogen directly into the root zone, rather than broadcasting it over the ground. We also launched our Clarity™ granular monitoring system in 2023 to monitor fertilizer application when planting small grains.

### ENSURING PROACTIVE MAINTENANCE

Weeds are the enemy of healthy crops, so we provide tools to mitigate weeds through intelligent, precise spraying. Our recently launched Symphony line includes Nozzle Control and Targeted Spray products that allow farmers to optimize chemical usage by effectively controlling spray pressure and hitting their marks.



AGCO’s GeoPress™ collection module mounts on any field-ready vehicle and eliminates record-keeping and bag handling by automatically blending and storing soil samples in geo-referenced, reusable containers. Together, GeoPress and Radicle Lab create a seamless field-to-lab process, permitting agronomists to deliver superior nutrient management guidance to their clients.







## Maintaining productive soil

Soil health is the cornerstone of profitable, sustainable farming. Soils rich in organic matter and nutrients with good physical structure lead to bountiful harvests, enabling farmers to boost their bottom lines and help feed the world. Crop rotation, cover cropping and reduced tillage practices all enhance soil health by promoting biodiversity, preventing erosion and improving soil structure. Moreover, soil is an effective climate solution based on its ability to sequester carbon as organic matter accumulates. Our reduced and no-till planting solutions help farmers improve soil health while promoting carbon sequestration and crop yield. This creates a strong foundation for sustainable agricultural growth.

### Compaction management

Some farming practices pose challenges to soil fertility and health, but our precision solutions can help. For example, a key challenge is compaction, which occurs as equipment crosses a field, causing the soil to become compressed. Compaction can lead to decreased nutrient uptake, crop emergence and growth. Over time, these issues can take a toll on farm profitability and yields. Compaction can also hinder soil drainage, which can lead to both flooding and drought. Our precision-focused solutions include:

- **Smarter routes:** Guidance technology on our sprayers, tractors and combines enables farmers to optimize their paths. Our machines leverage intelligent guidance sensors to minimize turns and shorten routes.
- **Precise input placement:** Our tools also optimize the placement of seeds, fertilizer and other inputs, further reducing the number of passes each machine must make.
- **Lightened loads:** Fendt's soil and grip technologies, such as VarioGrip, can automatically lower tire pressure, allowing for a wider distribution of weight. Similarly, Momentum Planter's Load Logic system lifts and adjusts the planter frame to minimize row-unit downforce, helping to reduce compaction, enhance plant health and nutrient uptake and increase yields.



In 2023, our Global Agronomy and Farm Solutions team undertook field studies to test the effects of working with different tire pressures on field efficiency, soil compaction and fuel efficiency. The study found that using the Valtra central tire inflation system (CTIS) reduced wheel slippage to increase efficiency by 1.8%. The CTIS also reduced soil compaction depth by 17%. These results demonstrate how using smart technology, such as a CTIS system, can help farmers enhance efficiency while reducing yield loss.

### Reduced- and no-till farming

By breaking up the soil, tillage can worsen erosion and remove the protective residue from previous crops. Tilling can also release carbon dioxide and disrupt the organic matter and microorganisms needed for biodiversity and soil health. Accordingly, many farmers are embracing precision solutions for reduced- and no-till farming.

These tools can help farmers protect the soil and climate while leading to more resilient plants. Without disrupting surrounding areas, our DeltaForce and Row Cleaners can efficiently slice through residue and untilled soil to place seeds and other inputs at an ideal depth. We also support research, education and outreach on reduced- and no-till techniques and have measured their benefits in trials at our agronomy smart farms. Our global agronomy team conducts research trials on a variety of soil health best practices, including cover cropping, alternative weed control and variable-rate nitrogen strategies.

## Helping farmers monetize carbon capture

Practices that promote carbon capture in agricultural soils can also benefit soil health — a win for both farmers and the environment. Our tools help farmers implement climate-positive and regenerative practices, such as no-till farming, soil compaction management and the use of cover crops.

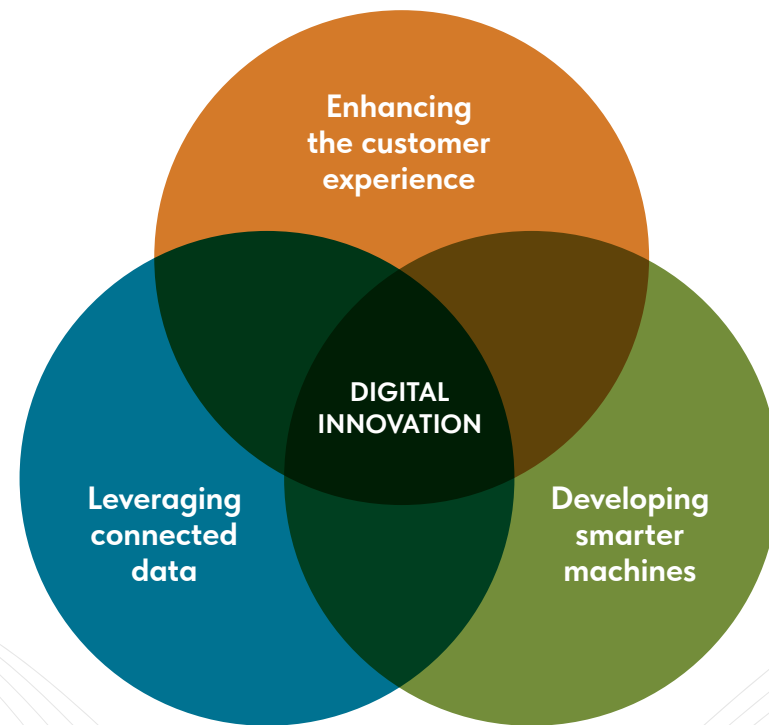
Increasingly, farmers can monetize these practices by participating in carbon credit registries. To support this, we collaborate with these programs to automate data collection from our machines. This saves farmers time and helps them prevent data errors, ensuring they receive credit for their sustainability efforts.





# Building automation and connectivity

We believe in data-driven decision making, both to help us deliver the best products and to empower farmers to make the most of their time in the field. As a leader in providing smart farming solutions, we focus on three overlapping areas of digital innovation:



## Leveraging connected data

Every farm environment encompasses a myriad of data points, from the soil's moisture levels to the weather conditions to a tractor's speed. Together, this data can paint a rich picture of operational strengths and pain points, as well as establishing a baseline for factors such as machine uptime, performance and health.

Eighty five percent of our production agriculture fleet retailed in 2023 included connected machines. This enables us to leverage global databases to gather insights that help enhance the customer experience and develop even smarter, more sustainable tools and machines. We continue to expand our connected ecosystem while investing in software and other solutions that can translate to value for our company and farmers in the field.

We partner with cloud service provider Agrirouter to integrate data from different equipment and software manufacturers on AGCO machines. Through this, we can share data among farms, information services, food companies and leading farm-management systems.

**~75,000**

Connected AGCO machines in the field as of 2023

**85%**

of the AGCO production agriculture fleet retailed in 2023 is connected

## Collaborating toward a sustainable food production chain

In June, Valtra served as a co-organizer of AgriVenture Finland 2023, which brought together approximately 250 agricultural and business experts from Finland and beyond. The two-day event included tractor test drives, technology demonstrations and presentations from Valtra and AGCO leaders. Our participation underscored our focus on collaborating toward profitable, sustainable farming solutions.



## How Valtra is giving farmers new tools to reduce their GHG footprints

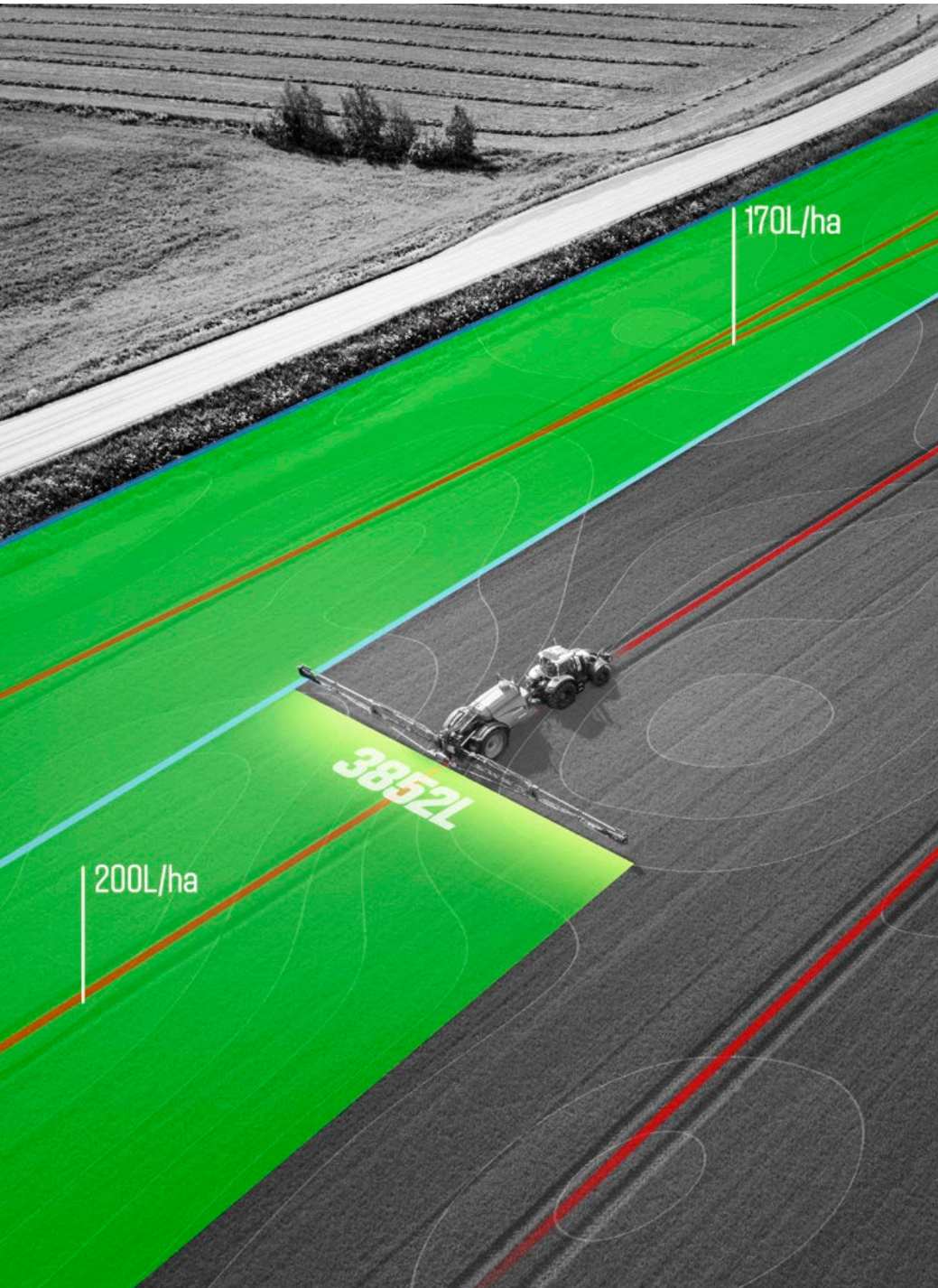
Valtra is known for providing easy-to-use, smart farming technology. Their latest innovation continues this 330+ tradition with an entertaining twist. The new Valtra Coach app monitors drivers' habits, provides real-time feedback and benchmarks their performance while rewarding them for adopting more fuel-efficient behaviors. The app uses data generated by smart tractors to help drivers reduce their idle time, improve fuel efficiency and curb GHG emissions. By gamifying the monitoring and feedback process, Valtra is making fuel-efficient driving more engaging. The company unveiled a demo version of the app at AGRITECHA 2023 and plans to release the app to the public in 2024.

**330+ Liters**

Estimated fuel savings per year for drivers who reduce idle time by 12% when operating their tractors for ~5 hours per day.

Valtra is also partnering with Neste and AGCO Finance to help farmers reduce their carbon footprint by increasing the awareness and availability of Neste MY Renewable Diesel. Valtra is the first tractor factory in the world to fill its new tractors with Neste MY Renewable Diesel, which is made from 100% renewable raw materials, such as used cooking oil or animal fat from food industry waste.





## Enhancing the customer experience

We provide farmers in our network with access to innovative tools to help them optimize their processes and enhance their performance. In doing so, we are able to better equip farmers to address global food needs and meet sustainability targets. These tools include:

- **AGCO Connect**, a fleet management tool for monitoring the status of farmers' machines to optimize efficiency and minimize downtime. Fendt's telemetry smart farming solution provides real-time data on machine performance, fuel consumption and location. It can be accessed from any device with an internet connection, allowing farmers to make informed decisions and optimize their operations. Automatic documentation saves time and effort.
- **FendtONE**, an operating system that grows with the machine, integrates all aspects of farm management into one platform, combining machine control, data management and precision farming to provide farmers with a comprehensive overview of their operations. With FendtONE, farmers can make informed decisions and optimize their operations.
- **Fuse**, precision ag solutions that work across equipment brands and software platforms to help customers farm faster, more efficiently and more productively. Whether it is the newest precision technology to enhance an AGCO machine or a solution to tie together a mixed fleet, Fuse has the technology farmers need to combat rising input costs while maximizing productivity.
- **NEXT Farming**, a software application, the acquisition of which was announced in 2023 and completed in early 2024, that provides tools for smart farming and data management. NEXT Farming delivers a range of digital solutions, including machine communication, lease and area management, professional livestock farming and more.

Connectivity also enables proactive machine maintenance to help farmers avoid unplanned downtime. Our connected machines can monitor components for various health indicators, such as excessive vibration or heat, and relay automatic alerts to machine operators, farm managers and AGCO dealer support specialists. This helps farmers schedule preventive maintenance and ensure the availability of any needed parts. It also empowers our dealer partners to provide customized support.

## Developing smarter machines

Automation and machine intelligence can help farmers overcome labor challenges, improve operator performance and spend more time focusing on critical tasks. It is another way for farmers to enhance efficiency and precision while adapting to changing field conditions, enabling them to drive both sustainability and operational improvements.

Our intelligent solutions include operator guidance features designed to help farmers optimize machine routes, reduce soil compaction and avoid potential obstacles or hazards. They can be found in Fendt's TI Headland and VarioGuide Contour Assistant, as well as in Valtra's SmartTurn, Wayline Assistant and CTIS.

We also offer AGCO precision technologies, which are both intelligent and adaptive. Our precision planters and sprayers use sensors to adapt to field conditions, continuously varying downforce, spray rates and other variables. This can help farmers preserve the productivity of their soil and reduce their outputs by avoiding over-spraying crops.







# Powering tomorrow's agriculture solutions

Being a great partner to our customers goes beyond addressing the challenges of today. It is also about looking toward the future to forecast emerging opportunities and needs. Through our robust research and development program, we are helping to shape an agricultural future that is more profitable, productive and sustainable. Our agronomy smart farms and technology innovations plant the seed for future products and enable us to gather the data needed to bring them to market with confidence. This work is highly collaborative, and we are engaging farmers and research partners worldwide to share key insights, fuel our talent pipeline and spur agricultural breakthroughs.

## Sharing our insights with the farming community

The more we learn and share, the more we can grow together. With that in mind, PTI holds field days for farmers and industry experts throughout the summer. In 2023, PTI engaged more than 5,000 attendees from seven countries in nine events, which included updates on our latest trials and hands-on demonstrations of our latest technologies.

6,300+

National and regional patent rights protecting our product and service innovations

224

New first patent applications filed in 2023

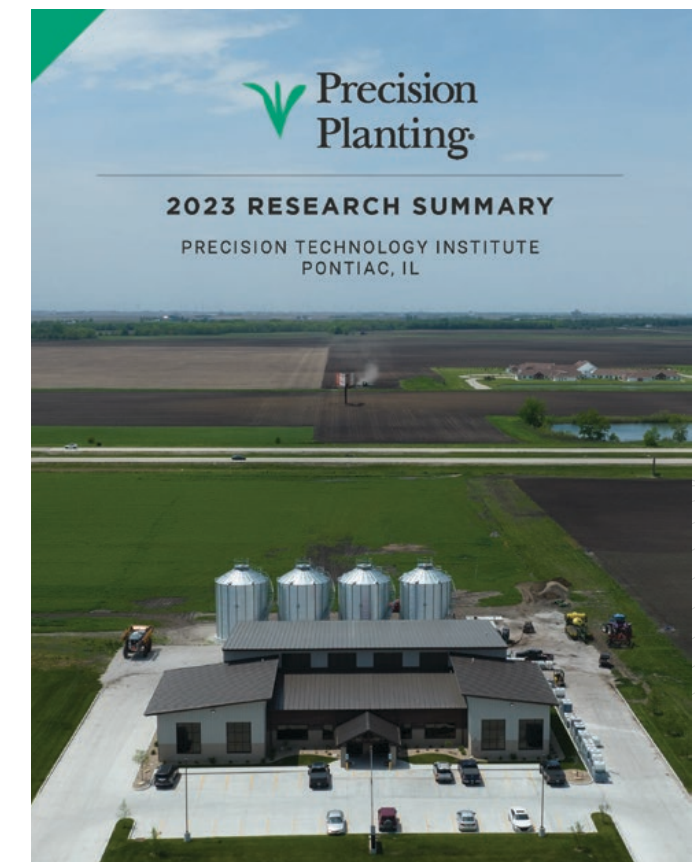
161

Agronomic research studies carried out worldwide in 2023

## Investing in Agronomy Smart Farms

Our Future Farms in Switzerland and Zambia, along with our Precision Technology Institute (PTI) in Pontiac, Illinois, bring researchers and farmers together to explore, validate and demonstrate emerging agricultural practices and technologies. These facilities are home to hundreds of ongoing studies aimed at tackling the many challenges of the agricultural industry, with an increasing focus on helping farmers enhance both sustainability and yields. Recent examples include studies on the efficacy of robotic planters, the relative benefits of various methods of phosphorous application and the economic implications of transitioning to no-till farming. As studies are completed, our research teams verify and analyze the data. We then disseminate the results to the farming community through online publications, agricultural events, social media and other means.

In 2023, we announced our plans to build a state-of-the-art test farm in North Dakota. The 300-acre operation, known as the Dakota Smart Farm, will make AGCO an anchor tenant at the Grand Farm Innovation Campus, which fosters innovative research and technology to solve agricultural challenges. Appareo, an AGCO subsidiary based in Fargo, North Dakota, will lead the farm with agronomists, scientists, engineers and agricultural experts to execute agronomic studies and host tours to educate farmers on sustainable and precision ag farming practices.







## Partnering to push our industry forward

Through our partnerships with universities and other leading research institutions, we continue to push the boundaries of innovation and challenge the agricultural status quo. We work with partners to be the trusted partner for industry-leading, smart farming solutions.



### Research partnership highlights

#### SCOTTSDALE ACCELERATION CENTER

In 2023, we opened an acceleration center in Scottsdale, Arizona, dedicated to software and electronics development in the areas of autonomy, precision ag, AI and digital products. The acceleration center is located at SkySong Innovation Campus, an extension of Arizona State University, enabling us to attract more talent across key product development disciplines. This is our second such initiative; our acceleration center on the University of Illinois Champaign-Urbana campus opened in 2018 and helps nurture tech talent within undergraduate and graduate student populations.

#### FENDT, BOSCH, BASF: ONE SMART SPRAY

Fendt, Bosch and BASF collaborated on ONE SMART SPRAY, a precision ag technology that leverages high-resolution cameras to detect weeds in real time and spray herbicide only where needed. The system reduces the use and cost of inputs for farmers and earned the CropLife IRON Showstopper Award at the Midwest AG Industries Exhibition in 2023. Fendt is integrating ONE SMART SPRAY into its award-winning Rogator® 900 solution, the industry’s only self-propelled, adjustable-height applicator. The system is currently in field testing, with general availability anticipated for 2026.

#### H2AGRAR: GREEN HYDROGEN FOR AGRICULTURAL MACHINES

Fendt is participating in H2Agrar, a multipartner research project, funded by the State of Lower Saxony in Germany, to advance the use and distribution of green hydrogen in agriculture and across rural areas. As a project partner, we focus on the development of hydrogen-fuel cell tractors and their practical testing. The project began in 2021 and will continue through 2024. The first concept tractor “HELIOS” was delivered in late 2023, and farmers have successfully conducted initial field tests.

#### AGCO IN THE AGRICULTURAL INDUSTRY ELECTRONICS FOUNDATION (AEF)

When agricultural machinery is involved in road accidents, the consequences can be significant. However, improved connectivity and data exchange among all vehicles can enhance work efficiency and help to keep everyone safe. As a member company of the AEF, we are working to help standardize direct machine-to-machine communication among agricultural equipment of different manufacturers and on-road vehicles. Part of the goal is to provide an early warning signal (e.g., large, slow tractor behind blind bend) to help prevent hazardous situations. The system was nominated for a “SYSTEMS & COMPONENTS Trophy – Engineers' Choice” at AGRITECHNICA 2023.

#### RESEARCH PARTNERSHIP FOR ALTERNATIVE, SUSTAINABLE FARMING PRACTICES

Through partnerships with LaSalle University, INRAE research center and a network of farmers, experiments of alternative cropping systems are conducted in France with a focus on relay cropping. These field trials, consisting of planting seeds between rows of a growing crop, enable us to evaluate the benefits of soil health, drought resistance and yield-risk mitigation, and to understand the requirements in adapted machinery and integration in the farming process.





### PROFESSIONAL VEHICLE OPERATING SYSTEM (POV.OS) CONSORTIUM PROJECT

The publicly funded POV.OS project is hosted by a consortium of universities and companies, including AGCO. The project is focused on the design and implementation of a flexible electronics platform that includes both hardware and software used to enhance automation in agricultural machines. As a consortium partner, we are working to establish and test use cases for the platform, which will enable machine operators to enhance efficiency and keep their equipment up to date. The project was presented at the ROSCon 2023 conference and also at the 2024 Agricultural Engineering LAND.TECHNIK conference.

### MASSEY FERGUSON PARTNERS WITH UNILASALLE

Massey Ferguson is supporting several cutting-edge research projects at UniLaSalle Polytechnic Institute. The studies focus on using agro-economic considerations to inform future generations of machines. Current projects are examining the interactions between tractors, precision technologies and the soil, as well as ways to optimize tractor power. In addition, this partnership is a opportunity to work with young students and, as such, can be a source for future talents connecting agronomy and machinery knowledge.

### SOLGRAS PROJECT

Funded by a government grant through the Danish Grønt Udviklings- og Demonstrations program, the SOLGRAS project is a collaboration between AGCO, SAGRO and Aarhus University. It is focused on developing a decision-support process to optimize efficiency and yield, while avoiding soil compaction, when harvesting sedge grass. The potential benefits are substantial; studies show that managing traffic in the field can result in as much as a 20% yield gain — corresponding to millions of additional bushels of sedge grass each year.



### AGCO POWER COLLABORATING IN CLEAN PROPULSION TECHNOLOGY RESEARCH CONSORTIUM

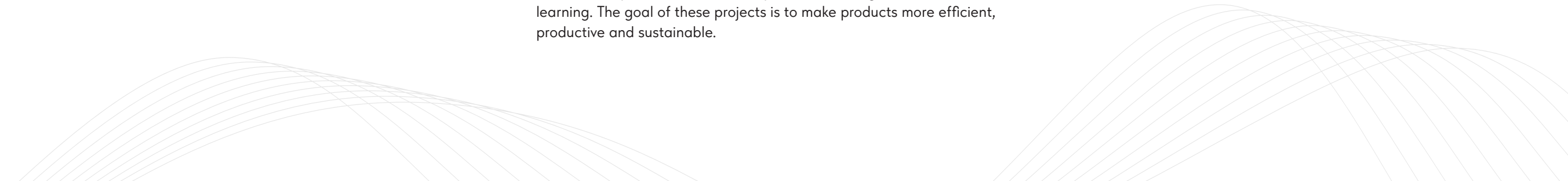
AGCO Power is engaged in multiple research partnerships, including through the Clean Propulsion Technology research consortium, an effort led by the University of Vaasa. The goal is to develop radically new solutions for clean and efficient off-road transport. Initiatives include the Black Carbon Footprint project — aimed at tracking and quantifying the climate impact of air-bound soot — and the Green Factory project to help companies reduce their environmental impact.

### AGCO AS A MEMBER OF THE MOBIMA E.V. RESEARCH CONSORTIUM

Based in Germany, this powerful consortium with representatives from agriculture, construction, logistics and municipality machinery companies is investigating trends around the mobile machine sector. It funds collaborative research projects to advance technology like future electric drive systems topologies, advanced perception, safety for autonomy, as well as tractor-implement automation systems that integrate AI and machine learning. The goal of these projects is to make products more efficient, productive and sustainable.

### FINNISH FUTURE FARM PARTNERSHIP ESTABLISHED

Co-funded with the European Union Just Transition Funding, Valtra and AGCO Power have started a three-year partnership with the Bioeconomy campus of Jyväskylän University of Applied Science in Central Finland. The aim of the collaboration is to test and deliver sustainable impact technology via four work streams: experimental field data, farm digital twins, knowledge-based farm management and the creation of a start-up community to drive innovation.





## Financing sustainable farming solutions

We believe in farmers' ability to help create a more nourished, sustainable world. To support them, we provide strategic investments that farmers can use to transform their operations with new capabilities, precision technologies and advanced machines. Through AGCO Finance, our JV with De Lage Landen (DLL), we help farmers make strides in sustainability with game-changing financing, insights, outreach and tools. AGCO Finance's distinctive approach leverages DLL's sustainable finance leadership and is aligned with our strategic sustainability pillars to make a positive impact within the JV's sphere of influence.



### Helping farmers advance their climate journeys

In 2021, AGCO Finance established the Climate Journey Fund (CJF) — representing an initial commitment of €50 million — to support climate-smart agricultural practices. In 2023, AGCO Finance doubled down on this commitment, growing the CJF to €100 million. The goal is to facilitate financing for eligible farms and businesses engaged in initiatives such as transitioning from conventional to organic produce, participating in net zero value chains or working to obtain market access via sustainable certification. The CJF operates through three distinct go-to-market channels:

- Sustainable, regenerative and organic certification
- Supply chain initiatives or sustainable partnerships
- Carbon programs

To further support the advancement of climate-aware agriculture, AGCO Finance is partnering with some of the world's largest issuers of food security, traceability and sustainability certifications. We are also expanding our relationships with growers inside approved food labels and carbon farming programs. In 2023, AGCO Finance significantly extended these collaborative efforts by leveraging more than 87 global eco-labels focused on soil health improvement and biodiversity protection. These efforts led AGCO Finance to provide over \$7 million in loans to directly benefit more than 15 Brazilian farmers participating in Bayer's Carbon Farming Program.

Overall, we achieved significant milestones through the CJF in 2023, with utilization reaching over €100 million by December — a remarkable 800% year-over-year increase from 2022. The funding supported more than 600 farmers globally and enabled improved soil health practices across more than 17,000 acres, underscoring our commitment to advancing global sustainable agricultural practices.





## The Climate Journey Fund’s 2023 impact at a glance

In 2023, the CJF made **€100M** available to facilitate affordable financing on AGCO equipment to eligible farmers pursuing sustainable outcomes.

### Three go-to-market channels:

- 1. Sustainable, regenerative and organic certifications**  
With credible third-party assessments for projects enhancing or preserving soil health
- 2. Supply chain initiatives**  
For growers inside off-taker net zero supply chains and strategic partnerships (e.g., the Lantmännen Swedish agricultural cooperative)
- 3. Specific assets and carbon programs**  
High-quality carbon farming transition programs (e.g., Bayer’s Carbon Farming Program and the RWZ Klima Humus initiative)



In 2023, AGCO Finance published “Embracing AI for Sustainable Agriculture,” which highlights the transformative power of AI in shaping the future of sustainable agriculture. By harnessing data from various sensors, AI enables more precise decision-making, helping farmers optimize irrigation, fertilization and disease detection. Visit the [AGCO Finance website](#) to read more thought leadership on sustainable agricultural practices.




**22**  
Countries



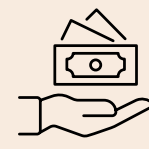
**€100M+**  
Utilization, 800% increase from 2022



**17K+**  
Acres where soil health improved



**80+**  
Soil health improvement labels



**2X**  
Funding in 2023 vs. 2022



**400+**  
Customers financed



**5+**  
Global sustainable partnerships



**\$7M**  
In loans to directly benefit farmers in Bayer’s Carbon Farming Program





# Our dedication to product stewardship

Even as farming becomes more advanced, the fundamentals of product safety and quality remain critically important. Farmers trust AGCO to deliver machines they can safely operate and rely on through the years.

## Delivering unrivaled quality and performance

With a commitment that extends across the product development, manufacturing and field performance lifecycles.

By establishing quality checks throughout various processes used to bring a product to the marketplace to ensure products meet the highest quality standards.

Through our product integrity review process, which helps us identify, understand and address the root causes of issues that emerge in the field. The process focuses on:

- Engaging in transparent discussions of why an issue may have occurred
- Applying methodologies for continuous learning and improvement
- Sharing lessons learned across teams and sites
- Doing even more to support customers by preventing potential failures

## Keeping farmers safe and engaged

Through our SMART Safety campaign, in which we work closely with the Safety Foundation in the U.K. to research and identify safety best practices. We focus on four pillars — visibility, fatigue, attitude and all-day, every-day safety — and support farmers through outreach and by providing resources on our AGCO and brand websites.

With a dedicated Customer Experience Center of Excellence team that actively engages customers to build loyalty and enable customer-driven improvements, including through one-on-one discussions, panel sessions and survey research.

By leveraging NPS, a key performance indicator (KPI) that helps us improve customer experience and develop new generations of products.



### Product recognition and awards

Our products are farmer-tested to ensure they can deliver value and reliability in the field. In 2023, we were proud to be recognized for product excellence across the industry throughout the year. Visit our website to view our recent industry acknowledgments and awards.



## PRODUCT RECALLS

One of the key elements in living the Farmer-First mindset is going to great lengths to understand customer issues and fix them as fast as possible. Once an issue is understood and we have a customer solution, we launch a Product Support Program (PSP). This triggers a request to the supporting dealer that a mandatory or optional repair is ready to be performed on a customer machine, and the dealer must carry out the updates. In 2023, AGCO launched 168 PSPs and completed repairs for 121,399 units in total. Product recalls are tracked machine by machine, and AGCO's focus is to get all units updated in a timely manner. Performing proactive repairs prevents machines from underperforming over long periods of time, which helps reduce machine failure as well as decreasing the requirement for new parts.



168

Mandatory and optional recall campaigns

121,399

Units repaired





## Promoting animal welfare

As the global population continues to increase and human standards of living rise, driving demand for animal protein, so do concerns about animal welfare and efforts to find more sustainable and productive ways to raise healthy animals. Our customers are committed to the health and wellbeing of their animals, and we support their commitment with smart solutions to help them improve both welfare and profitability. Examples include:

- **Cumberland, AP and Tecno brands** provide integrated systems for poultry, swine and egg producers, helping them safeguard animal welfare, health and productivity.
- **EDGE®2** is our leading control platform for protein operations that helps farmers monitor their animals' environment and collect information, including feed, watering, animal weight, ventilation, cooling, heating and lighting data 24/7. This platform provides invaluable, real-time data that supports farmers in keeping their animals safe, stable and healthy.
- **Scout** is the world's first ceiling-suspended robot that monitors broiler chickens and their environments. Scout uses sensors to measure thermal comfort, air quality, light and sound. Using AI and an onboard smart camera, it enables farmers to proactively address a range of environmental issues — even those they cannot normally see.
- **Our investment in OptiFarm** helps farmers improve productivity and animal welfare. OptiFarm leverages a team of experts and its proprietary software to monitor livestock behaviors and provide farmers with recommendations to create an optimal environment for their animals.



### Engaging customers and animal experts

In 2021, we established an Expert Advisory Animal Welfare Panel to inform our animal welfare initiatives. Comprised of leading external experts, the panel brings diverse, independent perspectives to advise us on how our solutions can improve animal health and wellbeing while supporting farm productivity and profitability. In 2023, we continued to leverage the panel's insights and further align our product roadmap with its suggested KPIs.

We also engage our customers to gain a deeper understanding of their priorities, expectations and concerns related to animal welfare regulation. In 2022, we conducted a survey among U.S. poultry and swine growers to further inform our product roadmap and ensure we are meeting customers' evolving needs.





# Environmental Sustainability

Embedding sustainability into our business strategy is one of our top priorities. We operate more than 110 facilities in 31 countries around the world, and each of them is working to deliver value for our company and farmers by embracing sustainable practices.

IN THIS SECTION:

- 36 Accelerating climate action
- 39 Decarbonizing our operations and value chain
- 45 Remanufacturing toward a circular economy
- 46 Conserving natural resources



We are in a relentless pursuit of operational excellence, where every employee plays a crucial role and where continuous improvement thrives. Our commitment is reflected in our performance metrics improvement, taking conservation and efficiency to the next level and making it an inherent part of our company's identity."

— Tim Millwood, Senior Vice President and Chief Supply Chain Officer, AGCO







## Accelerating climate action

As a global leader in agricultural machinery, our success is directly linked to that of farmers, who increasingly find themselves on the front lines of climate challenges. The evolving agricultural landscape can be marked by severe weather events, water scarcity and a shrinking amount of arable land. These issues pose significant risks to farmers' livelihoods and their ability to sustainably feed the world. With risks, however, come opportunities, and we are energized to be part of the solution.

Much of our focus is on innovating sustainable solutions to help farmers decarbonize and optimize their operations. At the same time, we are committed to integrating sustainability into our core business strategy. We are working on developing our climate transition plan, which sets out key levers to reduce our climate impact by addressing both operational and value chain emissions. In our operations, we are embracing renewable energy and furthering initiatives to make our sites more energy efficient. Throughout our value chain, we are delivering sustainable product solutions, optimizing our transportation and logistics networks and engaging supply chain partners to help them drive environmental progress.

The stakes are high, as the agriculture industry is responsible for approximately one quarter of global greenhouse gas (GHG) emissions. AGCO and our farmers alike acknowledge the need to reduce the emissions associated with agriculture and embrace the challenge of accelerating positive change. We have made significant progress, and we are determined to build on this momentum in the coming years to continue driving positive outcomes for farmers, our business and the planet.



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**Our clean energy approach establishes key levers to reduce our climate impact by addressing both operational and value chain emissions.**





## How we are working to reduce our carbon footprint

### SCOPE 1 AND 2

Account for **<1%** of our carbon footprint

#### OCCUR FROM:

- Scope 1: On-site fuel combustion in our facilities and company vehicles
- Scope 2: Purchased electricity, heat and steam consumption in our facilities

#### HOW WE ARE ADDRESSING:

- Setting a new, ambitious decarbonization target of 55% absolute emissions reductions in Scope 1 and 2 by 2033 and 90% emissions reductions by 2050
- Increasing both on-site and sourced renewable energy
- Expanding energy-efficiency and conservation initiatives at our facilities leveraging our QUEST toolkit and Green Growth Initiative
- Transitioning from natural gas to electrification wherever feasible
- Increasing the use of company electric and hybrid vehicles

### SCOPE 3

Accounts for **>99%** of our carbon footprint

#### OCCUR FROM:

- Raw materials and components purchased from suppliers, as well as other purchased goods and services
- Upstream and downstream transport and distribution
- The use of our sold products during their lifetimes

#### HOW WE ARE ADDRESSING:

- Baselining supplier performance and driving targeted reductions through EcoVadis
- Engineering new powertrains, including fully electric, hybrid and biogas solutions
- Driving efficiency improvements across internal combustion engines (ICE) and compatibility with hydrotreated vegetable oil and alternative fuels





**Our investments in precision ag and research and development activities provide farmers with critical tools to adapt to a changing climate.**

## Managing climate risks and opportunities

Conducting climate scenario analysis empowers us to proactively seize opportunities and manage risks while building resilience in the face of a changing climate, market and regulatory landscape. We have assessed our risks and opportunities against both “well below 2°C” and “inaction” scenarios. Through this process, we identified a comprehensive list of potential physical and transition risks, as well as opportunities to support sustainable business growth.

Based on these assessments, we anticipate that the climate-related physical risks facing our customers could potentially impact our revenue growth and business operations. While climate risks vary across geographies, the agriculture industry is highly susceptible to physical risks such as extreme temperatures, flooding and drought. These findings affirm the importance of — and the need to continually expand — our efforts to decarbonize our operations, improve business resiliency and develop products and services to help farmers reduce their own emissions and become more resilient to the effects of climate change.

Our investments in precision ag, and research and development (R&D) activities provide farmers with critical tools to adapt to a changing climate. They also create significant prospects for capitalizing on climate-related opportunities. For example, farmers can play a pivotal role in reducing agriculture-related GHG emissions by implementing practices that enhance the soil’s capacity for carbon sequestration, and we are taking steps to help farmers monetize these efforts. We will continue to leverage and refine these scenarios over time to improve our climate resilience, track market opportunities and create future value for farmers and our business. Not only will this position us to adapt to changing agricultural and industry conditions — it will also empower us to emerge even stronger.

For more information, view our [2021 TCFD climate risk report](#) and [2023 CDP disclosure](#).





# Decarbonizing our operations and value chain

Our decarbonization plan extends from our supply chain to our operations and our supplier network, including our company vehicles and product portfolio. True to our Team Up! Cultural Belief, we are working together across the value-chain to set and achieve ambitious carbon-reduction goals.

## SCOPE 1 AND 2 EMISSIONS-REDUCTION TARGETS

Against a 2022 base year, we have committed to:



Decrease absolute Scope 1 and 2 GHG emissions by **55%** by 2033

Decrease absolute Scope 1 and 2 GHG emissions by **90%** by 2050

## Reducing Scope 1 and 2 emissions

Our Scope 1 and 2 emission sources vary across sites, with most originating from manufacturing operations – predominantly from electricity and natural gas use. Other sources include district heating and liquid fossil fuels such as diesel, biodiesel and fuel oils used for on-site transportation, testing processes and other activities related to R&D. We previously limited our reporting of emissions and energy data to the company’s manufacturing sites. In 2022, we used our environmental, social and governance data management and reporting tool, AGCO STAR, to broaden this process. We now report emissions and energy data for our global manufacturing sites – which we continue to report separately for target tracking purposes – as well as all warehouses, assembly facilities, offices and training centers and company vehicles worldwide.

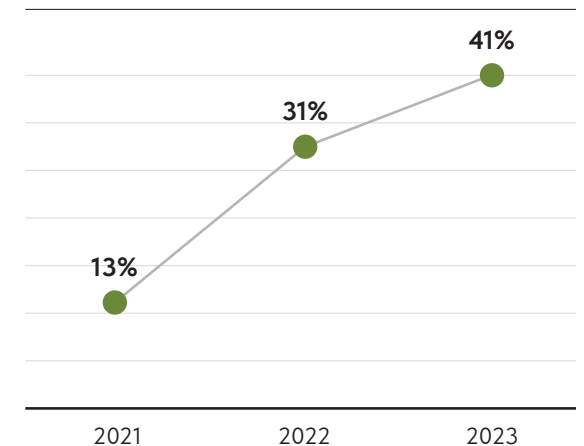
Our initial Scope 1 and 2 target that we set in 2020 targeted a 20% reduction in the emissions intensity of our manufacturing operations by 2026. In 2022, we surpassed that target by 11%. Building on this momentum, in 2023 we set new targets to reach the next milestone of our long-term climate objectives. These targets align with the 1.5°C trajectory, per the Paris Agreement.

Since beginning to track reductions in our Scope 1 and 2 manufacturing emissions intensity in 2020, we have continued to see a downward trend each year. This trend continued in 2023, as we saw a 15% reduction from 2022 – representing an overall reduction of 41% from our original 2020 base year.

Despite a significant increase in production due to an increase in production hours to support our business growth, our absolute Scope 1 and 2 emissions (associated with our complete portfolio, including company vehicle emissions) also saw a year-over-year decrease of 4% in 2023. We achieved this by optimizing energy use in our production processes through targeted energy conservation and efficiency measures and by replacing and electrifying various equipment, as well as by increasing the use of renewable electricity.

## ANNUAL CUMULATIVE REDUCTIONS IN EMISSIONS INTENSITY

(from a 2020 base year)





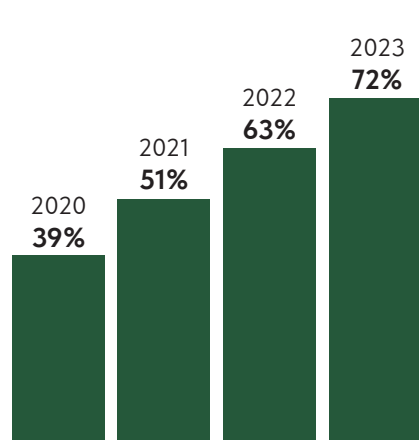


### SCOPE 1 AND 2 GHG EMISSIONS BREAKDOWN

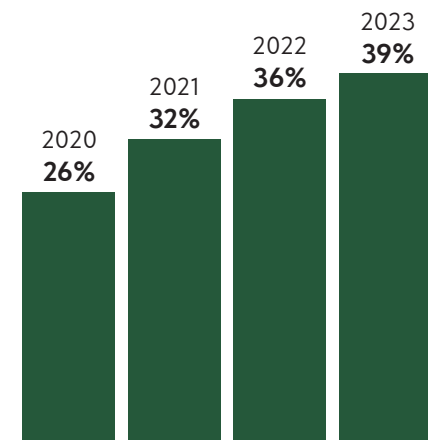
|   | MANUFACTURING |         |        |        | COMPLETE PORTFOLIO |         |
|---|---------------|---------|--------|--------|--------------------|---------|
|   | 2020          | 2021    | 2022   | 2023   | 2022               | 2023    |
| Scope 1 (tCO <sub>2</sub> e)                          | 50,269        | 58,342  | 62,073 | 64,126 | 80,618             | 79,541  |
| Scope 2 location-based (tCO <sub>2</sub> e)           | 91,287        | 99,280  | 83,197 | 88,229 | 91,508             | 97,274  |
| Scope 2 market-based (tCO <sub>2</sub> e)             | 50,259        | 47,953  | 33,731 | 28,768 | 41,803             | 37,999  |
| Total Scope 1 and 2 market-based (tCO <sub>2</sub> e) | 100,528       | 106,295 | 95,804 | 92,894 | 122,421            | 117,540 |
| Emissions outside of Scopes (tCO <sub>2</sub> e)      | 2,102         | 2,547   | 2,898  | 3,214  | 2,907              | 3,224   |

- Notes:
- “Manufacturing” includes our 33 manufacturing sites in 2022 and 32 in 2023.
  - “Complete portfolio” includes our manufacturing sites, warehouses, assemblies, offices and training centers, and company car fleet and excludes dealerships.
  - “Emissions outside of Scopes” represents CO<sub>2</sub> emissions from biologically sequestered carbon (biofuel use).
  - We will continue disclosing “manufacturing only” emissions separately for comparability and progress-tracking purposes. Moving forward, we are committed to improving our data quality and expanding coverage to all other sites included in our “complete portfolio” emissions.

#### RENEWABLE ELECTRICITY USE<sup>1</sup>

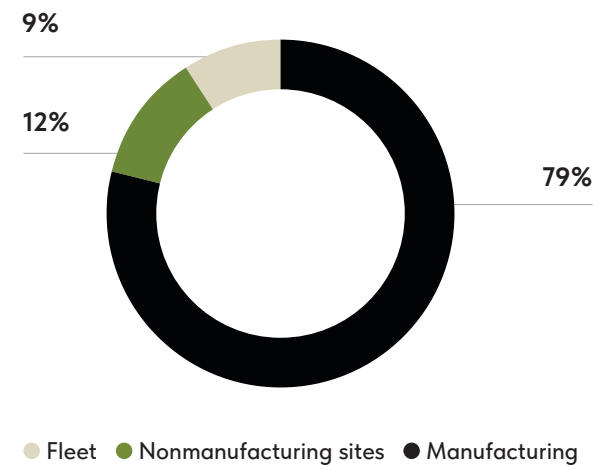


#### RENEWABLE ENERGY USE<sup>1</sup>



1. AGCO manufacturing sites

#### 2023 EMISSIONS SHARE BY SITE TYPE



For more information on our data collection process and methodology, please refer to [p.75](#) of our GRI Index.





### Optimizing energy

We continually seek opportunities within our facilities and operations to:

- Conserve energy
- Optimize our processes and improve energy efficiency
- Reduce the use of fossil fuels by electrification
- Replace conventional diesel with biodiesel

Our Green Growth Initiative provides financing and support for manufacturing leaders to expedite and implement energy-efficiency projects. Through the initiative, approximately 82% of manufacturing sites have either installed or are in the process of installing light-emitting diode (LED) lighting.

# 74%

Manufacturing sites with Green Leaders teams established as of 2023

Our Quick Energy Savings Tools (QUEST) energy-conservation support toolkit provides 25 evaluation tools that enable each site to systematically identify, analyze and execute energy-efficiency projects. Areas covered under QUEST include lighting system retrofits, process heating and cooling, compressed air systems, heat recovery and new building construction. Examples of recent and ongoing efficiency projects include:

- Ensuring heating, ventilation and air conditioning efficiency and improving building insulation
- Installing Building Energy Management Systems and smart controls to optimize our energy use
- Electrifying our heating technology and switching to high-efficiency heating equipment
- Exploring lower-curing-temperature paints to reduce natural gas usage in our paint shops

The QUEST toolkit enables us to align initiatives across regions and support efficiency and conservation projects under our Green Growth Initiative. We are leveraging these tools to share knowledge, make informed decisions and build out a best-practice library for use across our locations. Through QUEST, we have established teams of Green Leaders at the majority of our sites. These teams consist of representatives from various functions that champion energy management at the site level. In 2023, we also used

QUEST to add a “sustainable operations” category to our AGCO Production System checklist and audits, achieved approval for approximately \$5 million in capital expenditure for efficiency projects and identified more than \$9.2 million worth of high-potential future projects for 2024.

### Increasing our use of renewables

Our renewable energy target is to reach 60% renewable energy use across manufacturing operations by 2026. In 2023, we conducted a renewable energy opportunity assessment focusing on our larger manufacturing sites in Europe, North America and China and identified long-term strategic opportunities to ensure we are on track to meet our renewable energy target. A mix of solutions based on regional opportunities have been identified, which will take AGCO toward 100% renewable electricity use across our manufacturing sites by 2026.

We purchased 100% renewable electricity at 18 of our manufacturing sites in 2023, and one of our largest sites, the Linnavuori campus of AGCO Power engine manufacturing, has secured energy attribute certificates covering 75% renewable electricity with a gradual ramp-up to 100% by 2026. In 2023, our Santa Rosa site installed new solar panels, in addition to the six other sites with solar panels already operating.

As part of our near-term decarbonization plan, we are looking to have 90% of our nonmanufacturing electricity consumption come from renewable sources by 2033 and are aiming to electrify our company vehicles within the same timeframe.

### 2023 RENEWABLE ENERGY HIGHLIGHTS



# 7

Sites installed solar panels

# 18

Of 32 global manufacturing sites now powered by 100% renewable electricity

# 95%

Renewable electricity used in EME and SA manufacturing sites





## Good for farmers, good for the planet: Optimizing efficiency and productivity at Valtra

Our factories work to continually lower our emissions, reduce energy use and improve the environmental footprint of our manufacturing. Valtra’s tractor factory in Suolahti, Finland — one of our most sustainable facilities — is a prime example of these efforts. Highlights of the facility include:

### 100% renewable energy

Since 2022, the factory has used 100% renewable energy from wind, water and bio-based sources.

### 97% lower emissions

The factory is fast approaching zero-emissions status, having reduced emissions by 97% over five years.

### 17% less inbound CO<sub>2</sub>

The factory works closely with its supply chain, sourcing components as locally as possible, which has reduced incoming CO<sub>2</sub> by 17% since 2018.

### 12,240 tons of CO<sub>2</sub> saved

Neste MY Renewable Diesel has helped us eliminate 12,240 tons of CO<sub>2</sub> over more than five years.

### 0% landfill

Since 2016, we have sent zero waste materials to landfill.

### 90% recyclable materials

Tractors use 90% recyclable materials so their parts can be repurposed at end of useful product life.

Our improvements do not end with environmental efficiencies: we are also investing in significant expansion and modernization at our Suolahti factory to enable even better customer service, greater production capacity and improved working conditions. We recently opened Valtra’s new 2,000-square-meter paint shop at the factory, which ensures a high-quality finish and enhances process efficiency through increased automation and precision machining. This has enabled the Valtra team to better serve farmers by facilitating an accelerated production pace that increases capacity.

## Reducing emissions from on-site and company vehicles

A key lever for decreasing Scope 1 and 2 emissions is to increase hybrid and electric vehicles (EVs) within our owned and leased company vehicle fleets. Working against our 2022 fleet baseline, our approach accounts for regional regulatory and market conditions and potential energy-reduction impacts.

We prioritize EVs in areas with developed EV infrastructure and sufficient renewable electricity in the grid. Elsewhere, we prioritize hybrid vehicles. We are also exploring other alternatives, including electric bikes and public transportation passes. Our approach further drives us to reduce available engine size options for ICE vehicles and increase monthly allowances for lower-emissions engines, thereby encouraging drivers to select hybrids or EVs.

To reduce on-site vehicle emissions, we added several electric and compressed natural gas (CNG) vehicles to our North American operations in 2023, including two Class 8 tractor-trailers used to transport component parts and a CNG delivery van.



We are investing in technology that improves product quality and production output for customers, while also improving environmental efficiencies, safety and working conditions for our team.”

— Tiina Herlevi, Director of Manufacturing, Valtra EME







## Addressing Scope 3 emissions

In 2023, we increased focus on our broader value chain and made a pivotal shift toward addressing Scope 3 emissions. These emissions often represent the majority of a company’s GHG emissions footprint — especially in the manufacturing sector — and account for approximately 99% of our GHG emissions at AGCO. In alignment with our decarbonization efforts, we calculated Scope 3 emissions across 15 upstream and downstream categories and found that most emissions fall within Category 1 (purchased goods and services) and Category 11 (use of sold products).

| SCOPE 3 EMISSIONS                 |                      |            |
|-----------------------------------|----------------------|------------|
| CATEGORY                          | (tCO <sub>2</sub> e) |            |
|                                   | 2022                 | 2023       |
| Purchased goods and services      | 5,640,383            | 5,677,222  |
| Use of sold products              | 19,562,638           | 21,435,904 |
| Upstream and downstream transport | 2,264,10             | 2,353,810  |

Our path toward a decarbonized value chain includes several ongoing actions, such as:

- Engaging with suppliers to encourage them to decrease their emissions
- Supporting farmers’ transition to sustainable solutions
- Decarbonizing our products
- Working with industry associations to engage on environmental issues like the role of renewable and low-carbon fuels in agricultural machinery



**Developing products that support a reduced-carbon future**

Development of next-generation zero- and low-emissions machines is a focus of our Scope 3 emissions-reduction efforts. [Read more about how our product and technology innovations are powering the future.](#)

### Engaging suppliers

We work with many of the world’s top agricultural suppliers, who are crucial partners in our effort to become a more sustainable company, and we are committed to raising awareness of our sustainability objectives throughout our supplier network. Our teams actively engage suppliers to ensure their actions align with industry best practices and our company’s goals. In 2023, we continued our program with EcoVadis to establish a baseline for the sustainability performance of our top 500 tier 1 suppliers. Approximately 250 suppliers have returned their scorecards or are in the process of completing them. Across all four thematic areas covered by EcoVadis, our suppliers are exceeding the global benchmark.





### OUTCOMES OF OUR SUPPLIER SCORECARD



OVERALL<sup>8</sup>  
**56.0** +10.0 compared with benchmark

ENVIRONMENT  
**60.4** +14.2 compared with benchmark

LABOR AND HUMAN RIGHTS  
**57.2** +8.4 compared with benchmark

ETHICS  
**51.6** +7.9 compared with benchmark

SUSTAINABLE PROCUREMENT  
**47.7** +10.0 compared with benchmark

8. Methodology notes: All rating scores are based on EcoVadis results as of December 31, 2023.

We are using the insights gained through the EcoVadis platform to engage with our supply chain about best practices and improve our company's performance. We are also leveraging these insights to assess current and future supply chain risks and define development plans to ensure supply chain stability and compliance.

#### Improving transport and logistics

We continually refine our global logistics network to reduce GHG emissions. One of our key initiatives is to enhance networkwide visibility using advanced track-and-trace systems. Gaining a clearer view of the logistics chain enables us to strategically optimize routes, resulting in reduced fuel consumption and overall emissions. At the same time, we are working to minimize packaging waste and reduce vehicle emissions associated with the delivery of parts to our factories and distribution centers.

We are also fostering partnerships with regional suppliers to create opportunities for more local sourcing while helping suppliers grow their capacity to meet our high standards. When we do ship materials over longer distances, we seek ways to develop lighter and more space-efficient shipping solutions to further reduce our energy and emissions footprint.



[Learn more about our responsible sourcing practices.](#)



#### Partnering with suppliers on sustainability

Throughout the year, we host campaigns and forums to raise awareness of sustainability and other critical topics across our supplier network. In 2023, we held a series of Supplier Day events in North America, South America and Europe where company leaders met with critical suppliers to discuss various strategic imperatives, including our sustainability priorities. We proudly recognize and celebrate excellence in sustainability with our annual Supplier Sustainability Awards, elevating the profiles of outstanding suppliers to inspire and drive positive change across the industry.





# Remanufacturing toward a circular economy

Our products are built to last, and even after years of heavy use, we can still extend their value and life. Many of our major tractor components – such as electronics, engines and hydraulics – can be remanufactured and restored to a like-new state. The process goes well beyond repair; our remanufactured products are stripped down to their individual components, inspected, cleaned and fully rebuilt.

1,024

Engines remanufactured in 2023

\$8M

Investment to expand Reman operations

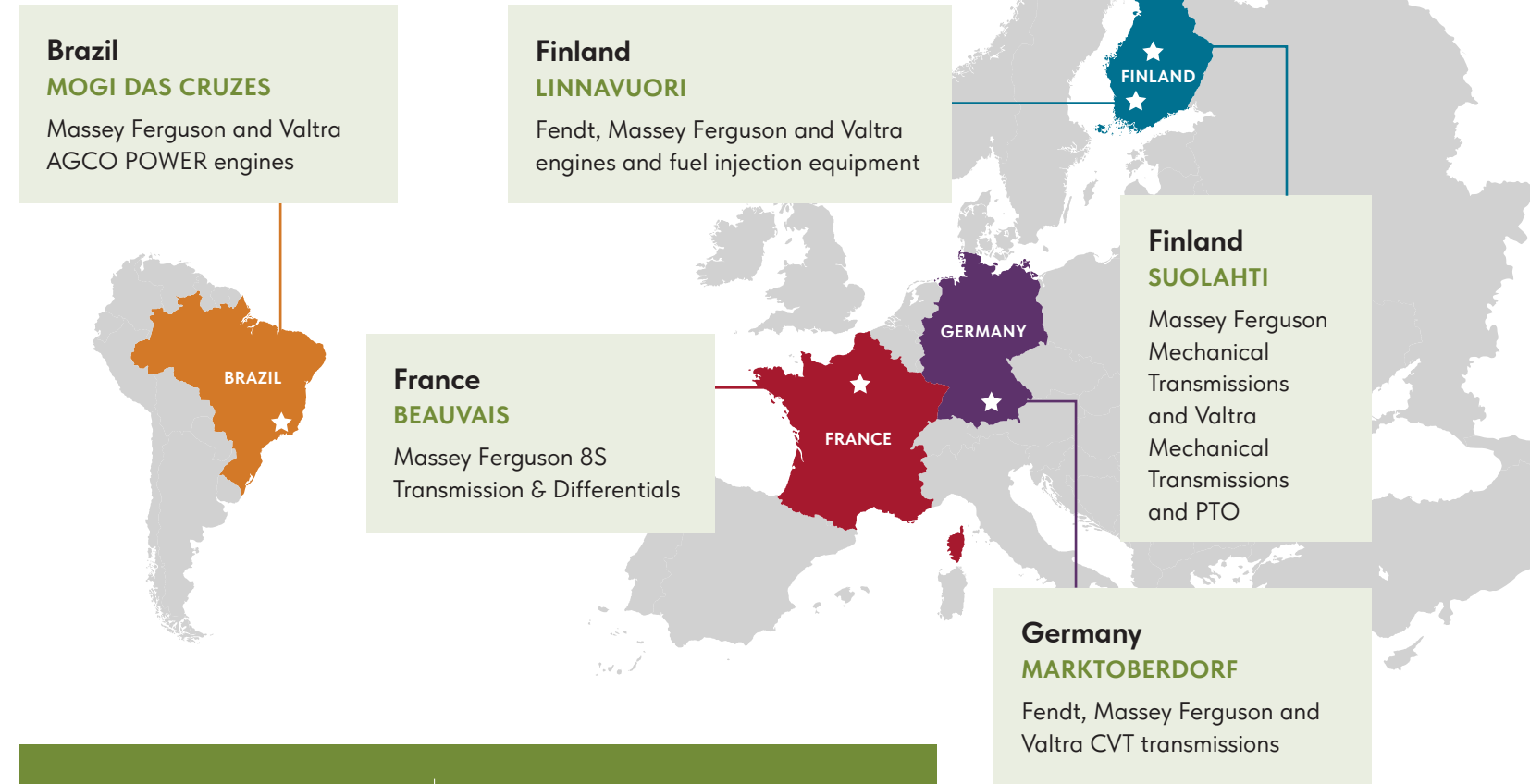
Before leaving our facilities, each remanufactured product undergoes rigorous testing to ensure it meets the same safety, quality and efficiency standards as new equipment. In fact, many products are remanufactured to the newest engineering standards that were not available during the time of purchase, yet farmers can purchase them at a substantially reduced cost. Additionally, all remanufactured products come with a like-new warranty or, in some cases, an extended version.

Beyond delivering excellent value, our remanufactured products provide farmers with a highly sustainable equipment option. By reusing existing materials and components, remanufactured items reduce the use of water, energy and raw materials used in new products while avoiding manufacturing-based emissions and

preventing waste. Even smaller products, such as controllers and diesel particulate filters, can be remanufactured or thoroughly cleaned to enable the reuse of valuable metals.

We continue to expand our Reman program, which now covers 13 unique commodities, a broader range of machine models and components, and five Reman centers of excellence worldwide. In 2023, we made our biggest Reman investment in recent years, committing more than \$8 million to expand our operations in Linnavuori, Finland. We also continued to ramp up production of Reman engines at our center of excellence in Mogi das Cruzes, Brazil, which we opened in 2021. We are a pioneer in the Brazilian market, as one of the only engine remanufacturing operations in the region. Looking ahead, we plan to continue expanding our presence in the country, with plans to add an additional reman facility currently underway.

## Investing in Reman worldwide



### GOAL:

Increase remanufacturing revenue to **150%** of our 2020 baseline by 2025

### PROGRESS:

**31%** Cumulative increase in Reman revenue from baseline

**10%** Global growth in Reman revenue in 2023 from 2022

**131%** of baseline revenue in 2023





# Conserving natural resources

Do more. Use less. That is our philosophy when it comes to designing products that help farmers boost efficiency and precision, and the same goes for our operational approach. We are dedicated to acting as responsible stewards of the natural resources that support our business, including water and waste.



## Practicing water stewardship

Maintaining adequate supplies of fresh water is essential to growing food and preserving healthy, diverse ecosystems. Instances of drought and insufficient water for agriculture can have devastating impacts on farm productivity — depleting the soil and decreasing field and crop health. With this in mind, we emphasize water efficiency in our operations. In 2023, we set a new target to further reduce our water consumption, with a special focus on manufacturing sites located in high-water-stress areas.

### TARGET:

Reduce absolute water withdrawal by **10%** by 2026 compared to 2022 base year across our manufacturing sites

For detailed information on our water consumption, please refer to [p. 77](#) of our GRI Index.

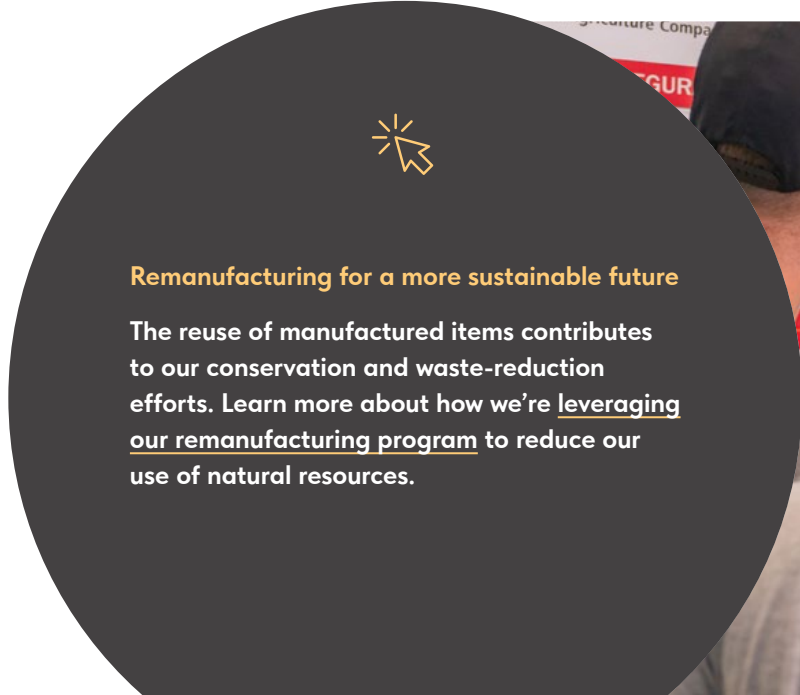
## Responsibly managing waste

We recognize the importance of a comprehensive waste management plan that aligns with our overall commitment to environmental sustainability. We continually work to optimize our manufacturing processes to reduce and reuse materials to reduce waste, with an emphasis on designing products with longer life cycles and recyclability in mind. As part of these efforts, we set a new target in 2023 to further reduce our waste.

To support progress toward this target, in 2023 we piloted a nonhazardous waste management program called RETHINK, which adopts the Reduce, Reuse, Recycle principle. The program works to raise employee awareness of our waste disposal reduction efforts and increase recycling at all locations. Various AGCO sites have engaged in the program's pilot, with a global rollout planned in 2024.

### TARGET:

Divert and maintain **>90%** of nonhazardous waste from landfills by 2026



### Remanufacturing for a more sustainable future

The reuse of manufactured items contributes to our conservation and waste-reduction efforts. Learn more about how we're [leveraging our remanufacturing program](#) to reduce our use of natural resources.





**Other initiatives we undertook in 2023 to reduce waste in our facilities around the world include:**

In Europe, we launched a Global Parts Packaging Harmonization project to review the packaging needs of our parts business. The primary packaging considered was cardboard and plastic bags, due to their high volume of use. The project takes into account regulations concerning packaging, as well as technical specifications, recyclability and reusability to ultimately deliver packaging designs that meet the needs of our farmers and drive sustainability performance.



For detailed information on waste, please refer to [p.82](#) of our GRI Index.



- Each year, our Assumption, Illinois, U.S., facility holds a Recycle Fest event in tandem with the local community. In 2023, the event helped collect 26 large boxes of recycling, two pallets of fluorescent bulbs and two bales of cardboard, among other items. To further reduce its waste, the facility also purchased 12 plastic banding chopper machines, which was used to shred over 22,000 pounds of plastic banding, preventing it from going to landfill and providing value through waste-to-energy.
- At three manufacturing sites in Illinois, U.S., five interns teamed up to conduct a waste audit aimed at better understanding how recycling is managed at the sites. The audit discovered several opportunities to improve recycling and included recommendations related to waste bin labeling and placement and employee education.



At our Stoneleigh, U.K., facility, we implemented measures to minimize food waste on site, including using a cookbook to repurpose items that previously would have gone to waste, such as food scraps and vegetable cuttings. Our efforts mean the facility requires fewer food deliveries and has reduced waste collections, further reducing our carbon footprint.





# Social Impact

We are cultivating a workplace that spurs innovation, enhances safety and wellbeing, and accelerates employee growth. We also aim to make a positive impact that extends beyond our four walls and take pride in supporting supply chain partners and the communities we serve.

IN THIS SECTION:

49 Our global workforce

55 Health, safety and wellbeing

59 Making a positive community impact



When our people, our farmers and our communities thrive, we all prosper. We are listening, engaging and acting in completely new ways to build an inclusive workforce, ensuring the best ideas are heard and brought to life to help advance our farmers' futures."

— Ivory Harris, Senior Vice President and Chief Human Resources Officer







# Our global workforce

AGCO’s global workforce is united by a common purpose: Farmer-focused solutions to sustainably feed our world. Our diverse, highly skilled team is at the forefront of pioneering advancements in agriculture and technology that are shaping the future of farming on a global scale. Guided by our Cultural Beliefs, we promote an inclusive work environment where every employee can thrive. We offer employee development opportunities designed to empower our team members to excel in their roles and reach their full potential.



## Rooted in our Cultural Beliefs

We are driven to deliver exceptional results for our employees, farmers and shareholders worldwide. As we seek out and develop workforce talent in a complex global marketplace, our culture is what sets us apart. Our Cultural Beliefs play a key role in driving our success, helping us empower our workforce and reinforcing our shared commitment to farmers, transparency and teamwork.

### OUR CULTURAL BELIEFS



#### Farmer First

I put farmers’ success at the center of everything I do.

#### Speak Up!

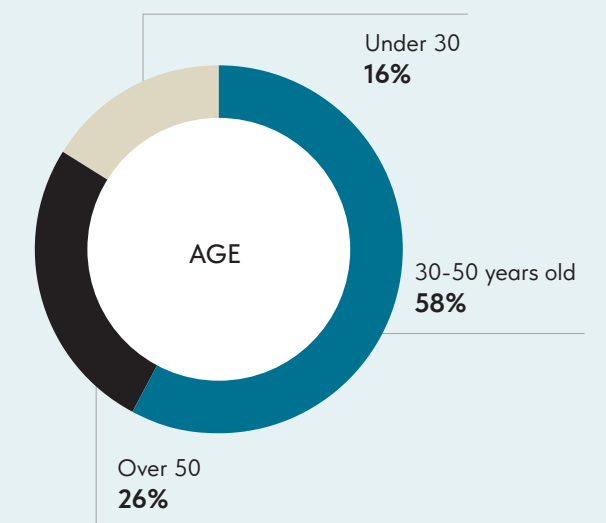
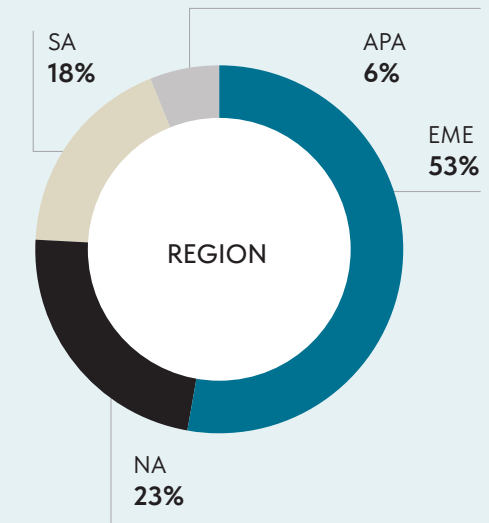
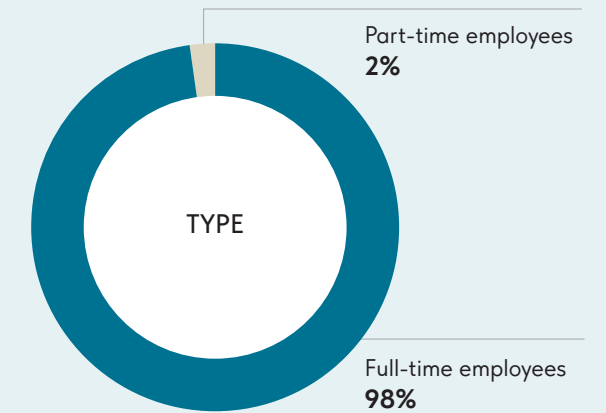
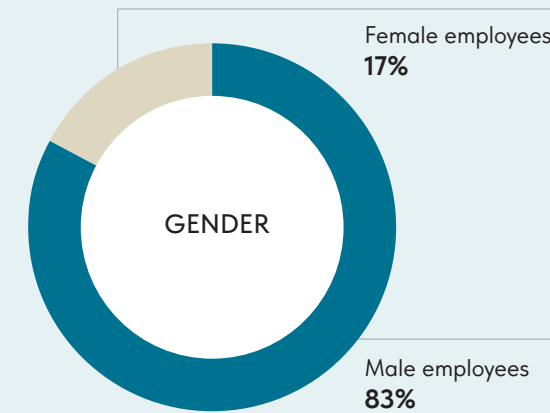
I raise challenging topics openly and debate respectfully.

#### Team Up!

I maximize AGCO results through teamwork and aligned actions.

## Our 2023 Workforce at-a-Glance

~27,900 Employees



Please see our [GRI Index](#) in the Appendix to view additional workforce data.





## Sparking change with our Culture Champions

AGCO's Culture Champions play a critical role in guiding our ongoing cultural transformation. Comprised of a global network of employees selected for their leadership, change agility and commitment to our cultural evolution, these champions represent a wide cross-section of locations, brands and functions. They serve as change agents, delivering a customized culture workshop experience to employees around the world. In 2023, Culture Champions facilitated 320 training sessions to more than 10,000 employees, and introduced culture huddles to shop floor employees to promote cultural awareness and shared perspectives.



## Employee listening

We work to ensure employees have a positive and fulfilling professional experience. We strive to nurture a dynamic, inclusive workplace where people can grow and thrive. We do so through a range of global employee experience and wellbeing programs, including our Voices engagement listening strategy, which provides valuable employee perspectives and insights that help to shape employee policies.

The Voices survey process is designed to help us listen and respond to employee feedback, enabling us to direct action to areas deemed most important by employees. By including all employees — across all offices and shop floors worldwide — we have a full baseline for survey engagement. More than 23,000 employees participated in our Voices survey in 2023, representing an 84% response rate — up 5% from the previous year. Our engagement score of 71% put us on track to achieve our target of 75% engagement by 2025. Through this process, we are able to identify the main global drivers for employee engagement. With a focus on employee-driven business change, based on employee feedback from the Voices survey, we are equipped to put in place activities to improve the overall experience of our workforce.



We recently established global leads for employee experience and wellbeing, recognizing that both of these aspects are fundamental to driving exceptional customer experiences. Both leads are responsible for designing and managing innovative, high-impact employee experiences and wellbeing initiatives, aligned with feedback from our Voices listening program.

## Our inclusive culture

We leverage the diverse cultures and backgrounds represented within our workforce to deliver more innovative solutions for our farmers. We actively pursue diversity, equity and inclusion (DE&I) policies and programs to build a more diverse workforce and inclusive environment — one that fosters a sense of belonging for all employees regardless of sex, race, age, sexual orientation, ethnicity, disability, gender identity and gender expression or social origin. Our efforts bolster creativity, decision-making and engagement, enhancing our work to deliver innovative solutions for farmers and further empowering employees to advance and succeed, fully supported to do their best work. Recognizing the important role diversity plays in sustainable innovation, we also actively promote diversity within the agriculture industry.

### 2023 VOICES SURVEY HIGHLIGHTS



23,000

Respondents, representing an 84% response rate

5%

Improvement in participation rate year over year

88%

Employees are proud to work for AGCO and/or its brands

76%

Employees would recommend AGCO as a great place to work





## Our DE&I aspirations

Our success will be shaped by how well DE&I becomes embedded into our organizational culture and business practices. To accomplish this, our strategic focus centers around four foundational pillars:

**TALENT** — Implement a robust DE&I strategy, which directly affects our ability to attract and retain a high-performing workforce with the talents and skills needed to meet our vision to be the trusted partner for industry-leading smart farming solutions

**CULTURE** — Cultivate an inclusive and equitable workplace culture where every employee is respected, feels a sense of belonging and is empowered to share their perspectives, ideas and creative solutions

**MARKETPLACE** — Remain competitive in our industry and exceed the expectations of our farmers and other stakeholders through the continuous development of innovative solutions, products and services

**COMMUNITY** — Create a positive impact across the globe by building meaningful community partnerships with organizations that advance equity in farming, agriculture and technology

## Supporting our Inclusion Impact Networks

As we shift our focus to inclusion and belonging, our Employee Resource Groups are being relaunched as Inclusion Impact Networks. These global, employee-led groups provide support, networking opportunities and community for employees with similar backgrounds. They yield valuable insights and perspectives that benefit our business strategies.



### OUR INCLUSION IMPACT NETWORKS

#### AGCO Women’s Network (AGWN)

Advances gender equity through the attraction, development and advancement of women at AGCO

#### New Employees Onboarding Network (NEON)

Provides opportunities for networking with AGCO leaders, our Employee Experience team and other new hires during the first year of employment

#### AGCO Black Professionals Network (ABPN)

Promotes the advancement and inclusion of Black employees at AGCO

## DE&I engagement structure

### EXECUTIVE INCLUSION COUNCIL

Led by the CEO with rotating membership from the executive level

- Sets the global strategic direction for DE&I
- Drives the integration of DE&I into business operations
- Ensures accountability for achieving results

### GLOBAL DEI COUNCIL

Includes 15-20 rotating members representing a variety of regions and business segments

- Operationalizes and scales the DE&I strategy
- Ensures local relevance and implementation

### INCLUSION IMPACT NETWORKS

- Focuses on impacting inclusion, belonging and engagement of employees
- Globally aligned, locally organized



## Increasing gender equity

We are committed to increasing the number of women in our global employee base, with a focus on increasing female representation among our leadership team. Our target is to achieve 25% women in leadership positions<sup>1</sup> at AGCO by 2030. In 2023, we saw a small increase in the percentage of women in leadership at AGCO. This is up from 17% women in the leadership group in 2022.

### TARGET:

Achieve **25%** women in leadership positions by 2030

### PROGRESS:

**19%** women in leadership positions as of 2023

We continued the following initiatives to boost the representation of women in our workforce and leadership in 2023:

- Requiring diverse candidate slates for leadership positions, targeting 50% gender diversity
- Conducting bimonthly audits of candidate recruitment and flow in the search process to ensure ongoing diverse talent pipeline development
- Encouraging participation in the AGCO Global Women's Network
- Supporting women entering and advancing in the manufacturing, engineering and supply-chain fields through our Ignite Your Impact program
- Engaging in the Board of the Women in Manufacturing Education Foundation to advance female talent industrywide

## Female students meet Fendt

In June 2023, female students from the fields of mathematics, information technology and natural sciences met at the Fendt Forum in Marktobendorf, Germany, to attend Fendt's fourth Female Career Day. In addition to networking and knowledge-sharing events, the students participated in a design thinking workshop and heard about career strategies in a panel session with six of AGCO's female managers, followed by a keynote from our global Human Resources representatives.

In 2023, we sponsored a “Your Purpose” event at AGRITECHNICA to highlight women in agriculture. The event featured Sheila Zulu, Agronomy and Farm Solutions Specialist at AGCO, who spoke about her journey to support the development and productivity of the agricultural industry in Africa as a manager at the AGCO Future Farm in Zambia.



1. Defined as senior manager and above





## Recruiting, retaining and developing top talent

We bring together the brightest minds to advance our purpose to deliver farmer-focused solutions to sustainably feed our world. To do so, we focus on recruiting and supporting innovators in technology, engineering, agriculture, science and many other fields. This work aligns with our goal to build a high-performance culture that delivers the machines and technologies farmers need to thrive.

### Building a robust talent pipeline

Our recruitment strategy reflects our commitment to finding, engaging and retaining exceptional individuals who align with our Cultural Beliefs. We seek to create a workforce that is not only highly skilled but also reflective of the global communities we serve. In 2023, we began aligning our talent acquisition function globally so we can maximize our ability to source and acquire talent, helping us to differentiate our company and workplace in a competitive global market. We executed strategic workforce planning efforts to map recruitment objectives and better understand the capabilities needed to fulfill our talent goals. This approach will empower us to develop strategies that ensure we have the right people with the right skills in the right roles at the right time. Key initiatives include:

### ACCELERATING EARLY TALENT

We believe that hiring talent early in their careers increases retention and helps us remain competitive. Our early-career recruitment strategy includes partnering with universities to create Acceleration Centers at the University of Illinois, Arizona State University and North Dakota State University. These centers support multiyear student internships, with many interns coming to work with us after graduation. We also have our business leaders engage in projects and curriculum at universities, furthering our foothold with these institutions and introducing their rising graduates to AGCO and our opportunities. We are also expanding early career development in our global locations, focusing on our information technology talent in India and offering a four-month development program for university graduates who are ready to begin their professional careers.

### PROMOTING DIVERSE RECRUITMENT

Our scholarship program with the AGCO Agriculture Foundation is tailored to students from underrepresented groups who have expressed an interest in science, technology, engineering, mathematics (STEM) and agriculture. Beginning in 2022, the Foundation is granting \$80,000 annually for three years to fund internships and scholarship opportunities and support AGCO in hiring talent from underrepresented groups. The program provides selected students with opportunities to intern at AGCO as well as scholarships of \$2,000 or \$4,000 per year and attendance at the Minorities in Agriculture, Natural Resources, and Related Sciences annual conference in the U.S.



### PROVIDING HANDS-ON EXPERIENCES THROUGH APPRENTICESHIPS

In Marktoberdorf, Germany, Fendt offers a range of apprenticeship programs that enable students to alternate between their studies and apprenticeship time at the company. During their three-to-four-year programs, apprentices gain a 360-degree view of a variety of business areas, including manufacturing, warehouse logistics and the materials laboratory. Additionally, we partner with the University of Applied Sciences Kempten to provide ongoing internship programs for students in STEM areas.

To reach students in Finland, Valtra organized a student day in 2023, which was attended by more than 800 students. Valtra also partners with Jyväskylä University of Applied Sciences

to expand various educational programs and working life projects. AGCO Power hosts students from Tampere University of Applied Sciences to its robotics training environment in Linnavuori. In addition, each brand has apprenticeships at local vocational schools.

### PLANNING FOR CURRENT TALENT

We not only look to identify our high-potential leaders, but we also identify our high-potential experts, as we know these individuals — with their unique set of skills — are critical to meeting our business objectives. Quarterly, our Senior Leadership Team meetings review our talent plans, including succession plans, to ensure we provide the right experiences and development to prepare these individuals for the future.





### Developing our talent

We are dedicated to cultivating dynamic and skilled leaders who can tackle the challenges of a rapidly evolving global marketplace. We offer several development opportunities that align with this goal, including:



**Leadership Excellence Acceleration Program (LEAP)** provides managers and leaders the opportunity to build competencies and prepare for career growth. It 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 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. We were encouraged to see 22% of our leaders — more than 600 people managers — participate in LEAP programs in 2023. Approximately 90% of those who took part successfully completed the program before the end of the year. Participation of female employees in LEAP also increased to 30% in 2023, and we expanded the program in all four regions worldwide.



**CATALYST** is an early-career, new-hire rotational program that works to develop high-potential talent. New high-potential employees rotate through a number of business areas to ensure well-rounded exposure and overall development. After completing this rotation, employees use their experience to make a significant impact in a dedicated role.

In 2023, 12 employees started in the CATALYST program in January as part of our data science, design engineering, precision farming specialist and customer support functions. Another 15 employees started in 2023 in our data science, customer support, design engineering, information technology and software engineering functions. In 2023, the program experienced a 100% retention rate. Fifteen employees completed our condensed (16 week) CATALYST program in India.

### 2023 DEVELOPMENT AND RETENTION HIGHLIGHTS



371,000

Hours of learning completed through our LMS<sup>1</sup>

64%

Leaders who completed leadership skill-building series, surpassing a 40% goal

1,700+

Participants in leadership skill-building series

600+

Participants in LEAP

42

New participants enrolled in CATALYST

In 2023, employees completed 371,000 hours of learning through AGCO's learning management system (LMS), which provides a variety of online and instructor-led trainings. We also implemented quarterly connection conversations between employees and managers to positively impact communications and enhance employee development and retention. Additionally, we introduced a leadership skill-building series focused on areas of interest identified by our employee engagement survey. These areas include compensation and performance evaluation. We were excited to see participation from more than 1,700 leaders in 2023.

To ensure that employee training programs are effective and relevant, we evaluate training using up to four criteria: user reaction (all training), learning retention, manager feedback and return on investment (certain programs only). The findings of our evaluations help us develop our offerings further and adjust programs to ensure maximum satisfaction.



1. These hours represent only the training that was registered in and conducted through the central LMS. Employees in scope are full-time and white-collar staff and the leadership group. Local trainings and trainings outside the LMS were not tracked.



# Health, safety and wellbeing

We are steadfast in our commitment to foster a culture that puts our employees' health, safety and wellbeing first. To ensure consistency and accountability, we have standardized our approaches to health and safety across our enterprise. We have also taken steps toward full enterprise safety reporting and put more than 80 Sustainability Tracking and Reporting (STAR) Leads in place to facilitate this. Our standards for these areas are high, and we continually evaluate our protocols and programs to enhance performance.

## Embedding a culture of safety

We have transitioned from thinking of safety as a standalone program to making it a priority ingrained in our culture. Over the years, we have made progress embedding safety throughout our organization, from the Board level to the shop floor. We provide training and resources to educate managers and employees on health and safety best practices and have introduced safety leadership at the global, regional and site levels. Our goal is to empower everyone that works at AGCO to reinforce safe behaviors and proactively recognize and mitigate workplace risks.



**We make a choice every day to focus on behavior and culture as the foundation of our safety program to ensure every team member feels empowered to prioritize the health, safety and wellbeing of the team.”**

— Pramod Palat, Director, Safety and Environmental Health, AGCO

## Our proactive safety culture in action

Safety at AGCO focuses on prevention through diligence, shared accountability and proactive emergency preparedness. In 2023, our preparedness paid off when colleagues in our Jackson (U.S.), Bremen (U.S.) and Canoas (Brazil) locations each suffered emergency heart conditions. Timely responses from our trained emergency response teams and medical staff and previous implementation of an automatic external defibrillator (AED) program played a key role in saving their lives. We know that emergency preparedness procedure and training is crucial to ensure safety and business continuity, and it will continue to be a focus of our safety culture moving forward.





## Our global safety strategy



### Drive improvement through behavior and culture

Culture and mindset are critical when it comes to safety, and they are key factors in our zero-incident mindset approach.

#### KEY INITIATIVES:

- We have developed behavior-based safety training that defines the roles and responsibilities of leadership teams when modeling safe behaviors at their sites.
- In 2023, we developed a Safety Balanced Scorecard of both lagging and leading indicators. Many operations have already put them into action.
- We partnered with DuPont Safety Solutions in 2023 to undergo a safety perception survey in North America, allowing us to benchmark and elevate our safety culture. Moving forward, we will use this pilot as a blueprint for how we change employee behavior, with similar programs planned for our South America and Europe and Middle East (EME) regions in 2024.



### Reduce high-frequency injuries

Hand injuries and ergonomic hazards are our leading sources of injury, so we have developed a structured plan to address them.

#### KEY INITIATIVES:

- We are developing a hand-injuries prevention toolkit, which helps us analyze the hand-related risks and address root causes of hand-related injuries at our global facilities.
- We are introducing the VelocityEHS® Ergonomics program, to address ergonomics risk across all our manufacturing facilities in 2024.



### Reduce high severity risk


Complex manufacturing environments often require some high-risk activities. To proactively manage these risks, we are building our safety capacity and putting the best possible controls in place.

#### KEY INITIATIVES:

- We are partnering with industry experts to build capabilities within our manufacturing sites for enhanced safety control measures and long-term sustainability.
- We have identified several focus areas, including machinery safety, working at heights, electrical safety, forklift trucks and pedestrian safety, product test safety and safety when working with hoists and cranes.
- We are introducing several types of employee coaching, mentoring and restricted work for new hires. For example, all new hires in our Beauvais, France, factory are allowed to perform only 'low-risk' work when they begin. As they demonstrate good safety practices and get acclimated to the factory environment, they can gradually progress into more challenging work processes.





  
 Learn more about how we are using [AGCO STAR](#) to enhance and streamline our safety and sustainability data tracking and reporting.

### Improving our safety performance

Our aspiration of zero injuries requires every employee to take ownership of our safety culture. With that in mind, we actively promote a zero-incident mindset across all levels of our organization. Our safety record continues to improve at a significant rate as we expand our initiatives and build a strong foundation. By expanding our implementation worldwide to include all workers, we ensure that a common shared vision and standard improvement methodologies are rolled out.

In 2023, our Total Case Incident Rate (TCIR) was a record 1.86, making it the third year in a row we achieved double-digit improvement, reflecting 15% improvement year over year. We have set an aggressive safety performance target to achieve a TCIR rate below 1.5 by the end of 2025.

As we progress toward this target, we have undertaken several targeted safety measures, including:

- **Instituting a 24-hour incident reporting system** that notifies environment, health and safety (EHS) leadership any time an employee is injured on the job. We use insights from these incidents to enhance safety practices and prevent similar occurrences from happening.
- **Implementing a Behavior-Based Safety management program** leveraging expertise from DSS+<sup>11</sup> consulting that focuses on observing and modifying employee behaviors to reduce accidents and improve safety outcomes.
- **Introducing a Global Safety Leadership Framework** that ensures dedicated safety leadership at the global, regional and site levels.
- **Improving our capacity for knowledge sharing** by establishing a global space where employees can share lessons learned across the organization.

### Strong safety performance across our global operations

Our South America region has witnessed significant improvements in overall safety performance, driven by enhanced collaboration among all the factories and supporting functions. Their history of a strong central approach in managing different parts of the business helped support our rollout of safety initiatives across the operations. Our EME region also has strong safety performance built on the adoption of several International Organization for Standardization (ISO) certifications.

As we advance toward meeting our TCIR target, we have redefined our 2024 safety priorities. Developing and implementing improvement plans specifically focused on our top injury-contributing sites is a key focus. The improvement plans include implementing a new governance structure, led by our manufacturing and business leaders and overseen by our Global EHS lead, to ensure our top injury-contributing sites make progress and receive the correct support. Sites will be internally audited to address further improvement opportunities.

### Optimizing health and safety management

We view ISO 45001 certification as a key means of defining and ensuring effective safety procedures, systems and management protocols. We continue to embed ISO 45001 certification across our enterprise, with 38% of our manufacturing sites achieving the certification as of 2023. We also leverage AGCO STAR, our sustainability tracking and reporting tool, to continually strengthen our global environmental, social and governance measurement and data collection processes.

11. Spin-off of DuPont Sustainable Solutions





## Advancing employee wellbeing

We aim to create a culture where employee health and wellbeing sit at the center of the employee experience. Our approach is holistic, encompassing five wellness pillars:



Within these pillars, we offer several programs to help our employees maintain their overall wellbeing. Examples of our programming in 2023 include:

**Partnering with Premise Health** in the U.S. to provide on-site health and wellbeing services to employees and their families. These services include primary care clinics, access to on-site pharmacies, occupational health services, access to on-site therapists and behavioral health, wellbeing coaches and enhanced options for virtual care.

**Expanding our partnership with International SOS** clinical services to audit our services outside the U.S., which we will use to develop a global strategy for on-site health and wellbeing care, services and education.

**Launching global mental health service providers** so all employees can gain access to emotional and mental health resources and services.

**Planning a global rewards and recognition program** to further our commitment to delivering an exceptional experience across the employee lifecycle. With a vendor identified late in 2023, plans are well underway for a global launch in 2024.







# Making a positive community impact

We strive to make a positive and lasting impact on the communities where we operate and the many farming communities we serve. We invest in initiatives that empower and support sustainable practices and build partnerships that drive positive change. It is a global endeavor and one we are proud to undertake.

## Investing in farming communities with the AGCO Agriculture Foundation

The AGCO Agriculture Foundation is focused on impact-driven agricultural initiatives that transform lives in farming communities around the world. It addresses the needs of farmers and farming communities through investments in farmer-focused initiatives. We see farmers as equal partners in our common goal to help secure the global food supply — both for communities today and for future generations. In 2023, the Foundation refined its grant application to further support our farmer-focused strategy.

The Foundation’s Employee Advisory Board (EAB) helps guide its resources and strengthen its relationship with employees and communities. Composed of employee volunteers from all AGCO regions, the EAB supports and monitors the Foundation’s initiatives and facilitates employee engagement sessions to generate project awareness and support. The EAB also coordinated and implemented a new process that enables our employees to nominate causes for donations from within their regions.

### The Foundation's strategic pillars include:



Within these pillars, the Foundation supported the following initiatives in 2023:

#### Supporting diverse farmers with the Providence Farm Collective (PFC)

The Foundation awarded a \$50,000 grant to PFC, a nonprofit that supports refugee, immigrant, Black and low-income farmers in Western New York. PFC will leverage the funding to implement a compost-generation system at its 37-acre farm in Orchard Park, New York, to support its 275 farmers from nine refugee, immigrant and Black ethnic communities and to optimize post-harvest efficiency and food safety on site. Overall, the project aims to increase food production and boost income for PFC’s diverse farmers by enabling safe, sustainable agricultural practices and enhanced soil fertility via the on-site generation of well-balanced compost. More than the on-ground impacts of our funding support, we are proud to share that PFC won the Edible Communities 2023 Sustainability Award and the Western New York Sustainable Business Roundtable Community Impact and Sustainability Work Awards.

#### Uplifting Brazilian cashew farms

Through a \$50,000 grant to Amigos do Bem, the Foundation is supporting the Cashew Project: Transformation Seedlings, which aims to generate work and income for small cashew farmers in the northeast dryland of Brazil. The funding will be used to purchase and distribute 30,000 fruit tree seedlings, fertilizers and farming kits and to provide training, technical support and continuous farm monitoring. The initiative will support 100 families — reaching more than 500 people — while neutralizing approximately 500 tons of CO<sub>2</sub> per year with the planting of cashew trees.

#### Furthering farm discovery

With a \$100,000 grant to the U.K. nonprofit The Country Trust, the Foundation is supporting the expansion of its farm discovery program. The Country Trust is a leading U.K. education charity, connecting disadvantaged children with farming. The grant will enhance the growth of the farm discovery program and enable thousands of children to explore working farms. The funding will support the delivery of an additional 70 Farm Discovery visits for more than 1,800 children and support 70 teachers to sustain the impact of the Farm Discovery program.





### Promoting sustainable dairy farming

Dairy farming generates both income and nutritional security for many rural people in Nepal. The country has many cattle and buffalo with low productivity and a high carbon footprint. To help address this issue, the Foundation invested \$250,000 as part of a two-year partnership with Heifer Netherlands. The project provides outreach to dairy farmers in Nepal to help them adopt feed management and animal husbandry systems that reduce livestock emissions. These interventions empower farmers to improve productivity, enhance carbon sequestration and generate biogas (a form of clean energy) and organic fertilizer, as well as establishing a fodder nursery using cow dung seedling pots made of manure, soil and husk. The Foundation's funding will directly support 100 dairy farm households, while providing benefits to many other stakeholders.



### Addressing food security and climate change with FareShare

The Foundation has provided a \$300,000, two-year grant to support a project spearheaded by U.K. nonprofit FareShare. The Surplus with Purpose initiative aims to combat food waste and secure the food needed to provide 1 million meals to those in need while bolstering climate mitigation efforts. For every ton of surplus food redistributed, Surplus with Purpose avoids up to 1.6 tons of embedded CO<sub>2</sub>, with an additional 3.8 tons prevented by avoiding harmful methods of disposal. In 2023, FareShare distributed 57,800 tons of food, enough for 137 million meals, to 8,445 charities and community groups across the U.K.

### Funding farming research

With an eye toward advancing agricultural research and innovation, the Foundation provided a three-year, CHF 195,000 grant to the Research Unit of Plant Production and Biodiversity at Bern University of Applied Sciences in Switzerland. The research focuses on leveraging noncontact weed control methods in combination with small robots to prevent soil compaction, minimize weed emergence and promote sustainable crop production. Since the start of the project, four students have been involved in the project, with their thesis focused on the software and hardware components of the open field automation equipment.

### Transforming African agriculture through youth upskilling and training

The Foundation committed \$250,000 to implement the second cohort of the Africa Agribusiness Qualification (AAQ) program in South Africa as a means to address the skills gap and empower emerging young leaders in agriculture. The 12-month AAQ program was designed to empower delegates with technical and sales skills, knowledge, training and opportunities to create a robust agribusiness sector for Africa. With technical support and implementation by AGCO Africa, AAQ was delivered through the Gordon Institute of Business Science, Harper Adams University and Cerealis Precision. Seventeen delegates graduated with a National Qualifications Framework level 4 certification in 2023.

### Providing nutrition to families in conflict zones of Ukraine

The Foundation assists farmers and farming communities during disasters and emergencies, providing resources and support to help them recover and rebuild. We have collaborated with nonprofit organizations on a local and global scale since the Ukraine conflict in early 2022 to provide food aid to Ukrainians and to ensure that farmers have access to the necessary production resources (seed inputs) to sustain food production. In 2023, we provided a \$50,000 grant to the MHP-Gromadi Charitable Foundation to support its initiative of providing much-needed nutrition to people in the conflict zones of Ukraine.

The organization delivered high-quality food to Ukrainian infants and distributed canned ready-to-eat poultry meat to internally displaced people in Ukraine. With the Foundation's donation, MHP-Gromadi Charitable Foundation delivered 13,000 jars of early childhood nutrition to families and distributed an additional 70 tons of canned ready-to-eat poultry meat. The benefits this funding is providing are reward enough; however, we are proud to share that the UN Global Compact Network Ukraine recognized MHP-Gromadi Charitable Foundation and our Foundation for outstanding work supplying humanitarian aid kits and early childhood nutrition to internally displaced people in Ukraine and the project won the UN Global Compact Network Ukraine Partnership of Sustainability Award in 2023 in the category "People."







### Making a difference across our regions and brands



For World Egg Day, our Grain & Protein Greater Asia team in Penang, Malaysia, donated 172 trays of eggs to Kechara Food Bank Penang. This initiative has a dual impact of boosting the community's economy and touching the lives of those who need it most.



AGWN Malaysia organized a Charity Day at PERTUBUHAN BAKTI YONG AI, a nonprofit organization that adopts orphans and takes care of children from single-parent households. In addition to raising money to support the home and provide school supplies for the 11 children living there, the AGWN members also played games and shared meals together.



Our Breganze, Italy, team held two fundraising events in support of the City of Hope (Città della Speranza) Foundation, including an Easter market and a Christmas event. They raised more than \$10,000 for the pediatric cancer nonprofit.



Colleagues in Imola, Breganze and Ronchi di Villafranca, Italy, teamed up to donate supplies and funds after devastating floods in Imola affected homes and nearby towns. The Cimbria site itself was not impacted and donated essential cleaning supplies to a nonprofit Associazione No Sprechi (No Waste Association).



The Batavia, Illinois, U.S., chapter of AGWN (AGCO Global Women's Network) raised a total of \$13,000 across three fundraisers toward scholarships for local college-bound agricultural students. Hundreds of Batavia employees took part in the events, which fund scholarships in partnership with the Kane County Farm Bureau.



AGCO dealers across Georgia partnered with Georgia 4-H and University of Georgia Extension to host, provide equipment for and serve as title sponsors for the Gearing Up for Safety Program. This continuous education program will improve safety, awareness and education for youth and adults around the state during the 2023-2024 school year.



The Cimbria team in Nairobi, Kenya, spent a half-day at the ST. PAUL Children's Home, donating necessities to improve the children's quality of life. The volunteers also participated in fun activities to bring a smile and hope to the 48 children living there.



AGCO has sponsored the PROSPERA program in Brazil since 2021. This program helped small and medium-sized rural producers increase their corn production, thereby contributing to the improvement of their families' living conditions and their communities. Massey Ferguson, Corteva and Yara are all part of the program.





# Governance

We are committed to strong corporate governance to deliver stakeholder benefits over the long term. Our robust environmental, social and governance (ESG) structure helps to ensure that we act with integrity in all we do.

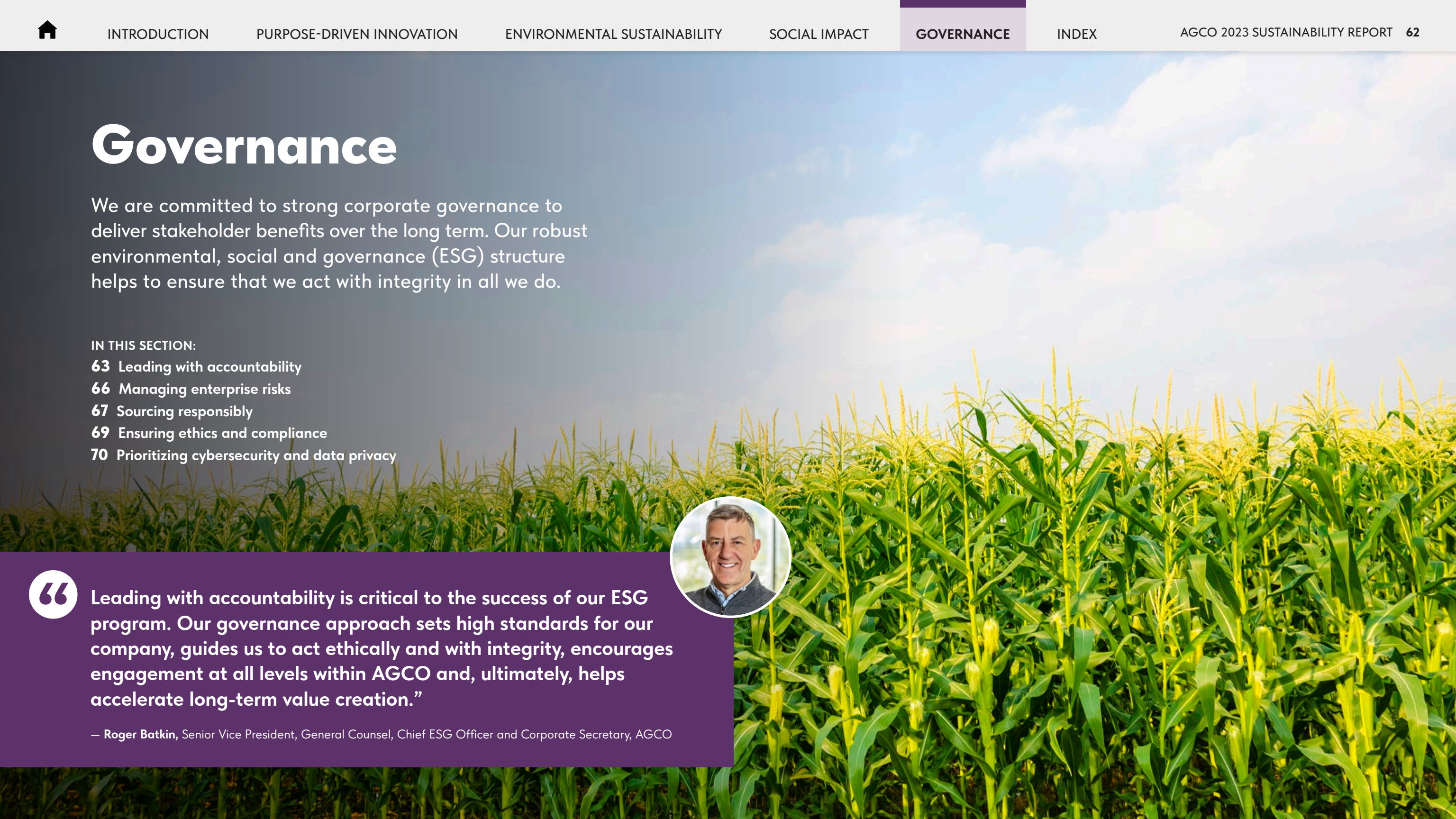
## IN THIS SECTION:

- 63 Leading with accountability
- 66 Managing enterprise risks
- 67 Sourcing responsibly
- 69 Ensuring ethics and compliance
- 70 Prioritizing cybersecurity and data privacy



Leading with accountability is critical to the success of our ESG program. Our governance approach sets high standards for our company, guides us to act ethically and with integrity, encourages engagement at all levels within AGCO and, ultimately, helps accelerate long-term value creation.”

— Roger Batkin, Senior Vice President, General Counsel, Chief ESG Officer and Corporate Secretary, AGCO





# Leading with accountability

Strong governance and accountability are essential to our long-term success. By creating sustainable value for our company and shareholders, we are growing our business the right way. Our sustainability governance structure is built on the principles of integrity, accountability, transparency and responsibility. The structure promotes engagement from our Board of Directors around key ESG issues and ensures that the Board can effectively oversee sustainability-related planning activities and decisions.



The Board's Sustainability Committee oversees the company's ESG strategy, policies, goals and risks. The Committee includes three Board members who meet three times annually and who are responsible for the following duties:

- Considering and providing input to management and the Board on the company's policies, strategies and practices related to environmental matters — namely climate change, greenhouse gas (GHG) emissions, natural resource management, waste and environmental opportunities
- Reviewing the company's policies, strategies and practices related to workplace safety and human rights
- Considering and providing input to management on environmental, climate and sustainability trends in public debate, public policy, regulation and legislation
- Reviewing the company's shareholder engagement program and investor sentiment related to our environmental and social footprint and activities and providing feedback on the company's public reporting and disclosure on sustainability topics

The full Board of Directors receives a sustainability update at one Board meeting annually.

## Executive-level responsibility for ESG

### Individual responsibilities

- **Senior Vice President, General Counsel and Chief ESG Officer** holds executive-level responsibility for ESG topics and attends all meetings of the Sustainability Committee and Board, reporting directly to our Chief Executive Officer (CEO) with reporting responsibility to the Board.
- **Chief Financial Officer (CFO)** holds executive-level responsibility for economic topics and our overall enterprise risk management process, reporting directly to our CEO with reporting responsibility to the Board.
- **Head of Internal Audit** is responsible for monitoring and auditing our operational risk management performance, reporting functionally to the Audit Committee and administratively to the CFO.

## Global Compact Membership

AGCO has become a member of the UN Global Compact, the world's largest corporate sustainability initiative that promotes four core principles: human rights, labor standards, environmental responsibility and anti-corruption. Through our membership, we made a commitment to actively contribute to these global goals and further embed them into our business strategy, culture and day-to-day operations.

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**In addition to their listed duties, AGCO's CEO, General Counsel/Chief ESG Officer and CFO formally review and approve our public reporting to ensure all material topics are reflected.**



### Functional responsibilities

- **Sustainability Council** is made up of senior leadership team members and drives the implementation of sustainability policies and initiatives across significant businesses, locations and functions.
- **Sustainability Core Team** directs the implementation of Sustainability Council decisions and oversees the execution of sustainability initiatives and programs.
- **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 across our manufacturing operations.



  
 Visit [AGCO's website](#)  
 to learn more about  
 our sustainability  
 governance approach.





## Board composition

Our Board leverages a mix of expertise, experiences and backgrounds to enhance stakeholder value, guide our Farmer-First strategy and oversee our sustainability progress. The composition of our Board involves a strategic blend of diverse expertise, including traditional business acumen combined with a solid understanding of the ESG factors impacting our business. This ensures a holistic and informed decision-making process that aligns our corporate goals with long-term environmental and social wellbeing, driving meaningful change from the top down.

## Driving positive change through public policy engagement

Through our membership in trade groups and associations, we amplify our impact on key sustainability issues and take a leadership role in moving the agriculture industry toward sustainable solutions. For example, in our partnership with the European Agricultural Machinery Association, we are focused on advancing products and services that enable customers to implement policies around sustainable farming practices while maintaining food security for a growing global population. We also partner with the Association of Equipment Manufacturers to support industry activities that reduce the carbon footprint of agricultural equipment.

We leverage our membership and active engagement with trade associations and organizations around the globe to promote public policy positions that support innovative, market-based solutions and technologies to address some of the world's most challenging issues. Our focus is on implementation of policies that enable adoption of sustainable farming practices that utilize climate smart, clean energy solutions that support both protecting our environment and providing food security. We also engage with associations to participate in the development and adoption of industry standards and to support education and promotion of smart manufacturing and business policies.

### HIGHLIGHTS



10

Total directors

8

Independent directors

30%

Women

30%

Ethnically diverse

~5 years

Average Board member tenure





# Managing enterprise risks

Our enterprise risk assessment (ERA) process focuses on identifying, defining and monitoring risks and trends that impact shareholder value over the long term. Through this ongoing process, we identify and regularly review material risks and trends — for our company, our farmers and our industry — and develop and implement countermeasures designed to reduce these risks to an acceptable level. Our executive leadership team manages these risks with oversight from the Board of Directors and its Audit Committee. We review our enterprise risks regularly to ensure effectiveness and update our central risk register periodically at least semi-annually. As part of this process, the executive leadership team participates in surveys and interviews and confirms risks and mitigating activities in their respective areas. The final results are validated and presented to the Audit Committee.

**Current risks associated with strategic, operational, financial and compliance areas that are covered through our ERA include (but are not limited to):**

- Competitive market dynamics, including sustainability-related risks such as environmental impacts and climate change
- Supply chain management
- Product and customer management
- Major Project Execution
- Operations Management and Technology
- Human Capital
- Legal and Regulatory

Furthermore, we have aligned with the Task Force on Climate-related Financial Disclosures (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 [2023 TCFD index](#).

## Sustainability tracking and reporting

Our ESG data management has robust processes, controls, policies and systems in place to enhance environmental data management and reporting. And to ensure data quality, we leverage AGCO STAR, our sustainability tracking and reporting tool, to track ESG data from our sites, including energy, waste and water, as well as health- and safety-related data. The data is used to inform energy-efficiency and conservation measures, set and track progress to targets and aid in strategic decisions. We also manage corporate ESG activities through AGCO STAR, including tracking climate risks, performing GHG and total case incident rate calculations and supporting external ESG reporting. A new Incident Management module was implemented in 2023, which will be used to streamline incident reporting, investigation and root cause analysis. Additionally, we use the EcoVadis platform to embed ESG considerations into our management of suppliers and commodities.

**Across our enterprise, we enlist employees as AGCO STAR Leads to champion the program and manage their sites' environmental and health and safety data and reporting, with more than 200 STAR Leads using the program across 115 sites in 2023.**







# Sourcing responsibly

We invest in supplier relationships built on integrity and trust. We view responsible sourcing — including mitigating environmental impacts and supply chain risks — as a fundamental component of ESG and business success. Our goal is to ensure our procurement and supply chain processes align with our broader ESG objectives so that, together with our suppliers, we can collaborate to achieve mutual progress.



## Managing risk in our supply chain

A strategic priority of our purchasing strategy is to embed sustainability and ESG criteria into our purchasing decisions and our management of suppliers and commodities. In this regard, we employ the EcoVadis platform to assess our suppliers' performance, based on their management processes, policies and data related to:

- Energy and climate
- Human rights and labor
- Ethics
- Sustainable procurement practices and other ESG-related issues

The EcoVadis assessment process involves gathering, validating and scoring supplier data on its platform. We use this data to support our development of supplier-engagement strategies, formulate and track supplier ESG targets and facilitate corrective actions for suppliers that fall short of our expectations. We are currently using EcoVadis to score our 500 largest tier 1 suppliers by spend and plan to expand the effort to other tier 1 suppliers in the coming years.

The supplier data we have collected so far has allowed us to establish an ESG performance baseline, which indicates that our supplier base outperforms EcoVadis benchmark scores in overall performance and the four categories of Environment, Labor and Human Rights, Ethics and Sustainable Procurement. The insights gained through the EcoVadis platform are being utilized to identify best practices that can be shared to improve performance, to identify critical gaps and current and future risks to our supply chain, as well as 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 recognition.

In addition to the EcoVadis ESG assessment, we take further steps to analyze and monitor both financial viability and event-based supply risks such as pandemic outbreaks, geopolitical unrest, logistics performance, natural hazards, labor and human rights and environmental risks, across our supplier network, aimed to reduce the chances of supply-chain disruption and improve resiliency. As part of this effort, we have established new sourcing principles for critical components, including dual sourcing and a risk-based, country-specific sourcing approach. In the past, our supplier selection has largely been based on commercial considerations. Now we are looking to strategically work with suppliers to generate closer, trusting and long-lasting business relationships that lead to improved sustainability and innovation. Other actions we take to manage critical materials in our supply chain include:

- Track tier 1 direct material suppliers and some indirect material suppliers via real-time risk management software
- Optimize supply base network
- Design change collaboration through AGCO's Supplier Idea Generation program
- Implement strategic pricing strategies and contract management
- Conduct regular supplier audits of new and existing suppliers via our supplier quality organization
- Establish supply continuity teams
- Refresh commodity — category strategies
- Ensure material requirements confirmation to improve planning

As we continue to build greater resilience into our supply chain, proactive preparation is key. We maintain readiness to respond to unexpected crises with preplanned mitigations. We also remain focused on early-warning monitoring and emergency disruption responses and processes.





## Upholding human rights

Driven by our purpose to help farmers sustainably feed the world, we are committed to respecting human rights in all aspects of our global operations. Responsible supply chains must respect people's dignity and rights and support livelihoods. By holding ourselves to the highest standards of responsible and ethical conduct — and partnering with suppliers who do the same — we aim to uphold this belief while minimizing risks. We inform and guide our actions by the principles put forth by the following international standards:

- The U.N. Declaration of Human Rights
- The U.N. Guiding Principles on Business and Human Rights
- The International Labour Organization's Fundamental Conventions
- The Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises

Our [Supplier Code of Conduct](#) sets our expectations for supplier partners. This includes our requirements that suppliers comply with all relevant legislation, regulations and directives and respect the human rights of their employees, as well as those in the communities in which they operate. Suppliers must prohibit the use of forced labor and child labor and respect labor rights including nondiscrimination, nonharassment and the right to collective bargaining.

In 2023, we completed a detailed risk assessment to determine human rights risks related to key commodities, categories and regions. We also reviewed our Supplier Code of Conduct, governance and complaints processes to ensure they comply with industry best practice and evolving legislation, and will publish an updated version in 2024.

## Responsibly sourcing conflict minerals

Our commitment to responsible sourcing extends to conflict minerals, as outlined in our [Conflict Minerals Policy](#). Our Conflict Minerals program conforms with the framework established by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition. We use the Conflict Minerals Reporting Template developed by the Responsible Minerals Initiative (RMI) to identify smelters and refiners in the supply chain. In May 2023, we filed a Conflict Minerals Report with the Securities and Exchange Commission.

We engage with our suppliers annually to determine the origins of tin, tungsten, tantalum and gold in our products, with the outreach extending through as many as 10 tiers of our supply chain. Supplier submissions are evaluated against data from the RMI.

We are a member of the RMI, which promotes the use of certified smelters, as well as its Smelter Engagement team. The team focuses on contacting smelters to encourage them to become certified. These activities reinforce our aim to promote supply chain best practices and mitigate risks.

## Adhering to the supply chain regulations

We comply with all applicable supply chain regulations. This includes the following legislation, aimed at improving the protection of human health and the environment from the risks posed by hazardous substances:

- European Union (EU) Registration, Evaluation, Authorization and Restriction of Chemicals Regulations (REACH)
- EU Restriction of Hazardous Substances Directive (EU RoHS)
- EU Waste Framework Directive (SCIP)
- Toxic Substances Control Act (TSCA)
- Resource Conservation and Recovery Act (RCRA)
- U.S. state-level regulations pertaining to hazardous substances such as California Proposition 65

Together with our partner Assent, we engage our supply chain regarding REACH and SCIP compliance. In 2023, we focused on our main manufacturing sites in the Europe and Middle East (EME) region and contacted more than 1,000 suppliers to collect information. In January 2024, we submitted our SCIP report for tractors manufactured in the EME region. In the coming years, we will continue to roll out our system to collect proof of compliance from our suppliers and maintain an inventory of product parts that fall within the scope of these regulations.

The German Act on Due Diligence Obligations in Supply Chains that went into effect January 1, 2023, requires German enterprises to take responsibility for human rights and environmental impacts in global supply chains. The Act requires companies to analyze specific risk categories such as preventing child labor, the right to fair wages and environmental protection. The purpose is to identify and mitigate risks that could potentially lead to human rights violations or environmental degradation.

We carried out a risk analysis for AGCO GmbH and its affiliated companies in Finland and Italy in 2023 in accordance with the requirements of the Act. Firstly, we analyzed potential risks for our suppliers based on their country and industry risk profiles. The results helped us prioritize which suppliers to engage with and carry out a risk assessment. This included, among other things an assessment using Ecovadis that resulted in an action plan for suppliers with identified risks.

We are implementing appropriate measures to mitigate risks. A core element is our Supplier Code of Conduct that we have adapted to focus more on the risk categories of the Act, and we require our suppliers to act accordingly. Existing preventive measures will be improved continuously and more will be added in the coming years.

The process of the risk analysis is anchored in our integrated management system. We will continually expand the scope of our supplier base for the risk analysis beyond the requirements of the German Supply Chain Act, also to be prepared for the upcoming Corporate Sustainability Due Diligence Directive.





### Refreshing our Global Code of Conduct

Our farmer-focused strategy extends to the most elemental level of how we conduct ourselves daily on the job. This philosophy was the driver of a refresh to our Global Code of Conduct during 2023, which had an 84% completion rate for those who took the training. Among the enhancements are an opening message from our CEO who sets the tone for our shared commitment and expectations for always doing what is right. The refreshed Code also includes more robust guidance around such current issues as workplace harassment, alcohol/substance abuse, human rights, corporate social responsibility, data safeguarding and social media. In short, our Global Code of Conduct is aligned with today’s business realities so that our colleagues can navigate everyday workplace challenges with the highest regard for ethics and integrity.

## Ensuring ethics and compliance

We adhere to the highest standards of ethical conduct and responsible corporate governance. We value the integrity of our employees, managers, officers and Board. Our policies and employee training provide a framework to guide employees in adhering to ethical, responsible behavior. This extends to ensuring full disclosure concerning our activities and policies.

We are 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 and internal accounting controls
- Auditing and related matters
- Confidential, anonymous submissions of employee or third-party concerns through the AGCO Alertline

We share our corporate governance-related standards, policies and other information on our website, including:



\*White collar workers

- Our Corporate Governance Principles, which provide the framework for the company’s governance are annually reviewed by the Board
- Charters guiding the Audit, Talent and Compensation, Executive, Finance and Governance Committees
- Our Global Code of Conduct, which guides our behavior in the workplace — revised in 2023 to align more closely with our strategy, including an expanded workplace safety topic to address health and safety and a dedicated section to human rights, among other changes

### Anti-corruption and whistleblowing

We promote an open-door environment and an anti-retaliatory culture that encourages transparent dialogue across our workforce. We encourage employees to report any concerns of violations of 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 our management. Our culture of Speak Up facilitates the reporting of employee concerns. They can do so anonymously and confidentially using the AGCO Alertline, which is also open to our contractors, vendors and customers. We will not tolerate retaliation against anyone for reporting or providing information that they reasonably believe relates to a violation of law, the Global Code of Conduct or our policies. Retaliation is grounds for disciplinary action, up to and including dismissal. In 2023, we had 166 total reports to the Alertline, of which 102 were closed by the end of the year.

**Governance policies that guide our behavior and business practices include:**

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





# Prioritizing cybersecurity and data privacy

We have an ERA process that specifically addresses risks associated with cybersecurity. Additionally, we have a crisis management plan that outlines the structure, roles, responsibilities and operating procedures to utilize during potentially significant events that could negatively impact our business. We have a cybersecurity incident response plan in place, linked to our crisis management plan that provides a documented framework for handling high-severity security incidents and includes facilitated coordination across multiple functions. Our incident response plan also includes identifying and responding to material risks from cybersecurity threats associated with our use of third-party service providers.

We invest in threat intelligence and are active participants in industry and government forums 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 also maintain a cyber liability insurance program and have policies and practices in place to address data privacy regulations. Our cybersecurity program is reviewed and assessed by external information security specialists and by our internal audit group at least annually.



## Building employee awareness

We conduct annual cybersecurity awareness training for our employees and targeted training for high-risk functions. We also conduct phishing exercises and correlated education with our employees. In 2023, these included:

- Conducting an in-person and virtual Cybersecurity Conference for employees, highlighting security issues, new threats and collaboration exercises
- Launching a new Cybersecurity SharePoint site to facilitate open communication and transparency
- Holding a Cybersecurity Awareness Month to raise awareness of data safety issues
- Creating and publishing companywide cybersecurity content at least quarterly
- Introducing a new “Phish Alert Report” button in Microsoft Outlook
- Enhancing and maturing our server and application management process

## Leveraging cybersecurity oversight

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.

We have an information security team, led by our Chief Information Security Officer, that is responsible for assessing and managing cybersecurity risks and monitoring cybersecurity incidents. The team possesses relevant experience in their respective fields, as well as top-level industry certifications from various leading certifying bodies. Our Cybersecurity Council comprises members of our senior management team who are regularly briefed on cybersecurity matters and provide input to our overall approach to cybersecurity. Our formal cybersecurity program is structured and governed around the National Institute of Standards and Technology (NIST) Cybersecurity Framework, as well as other global standards and best practices.





# Index

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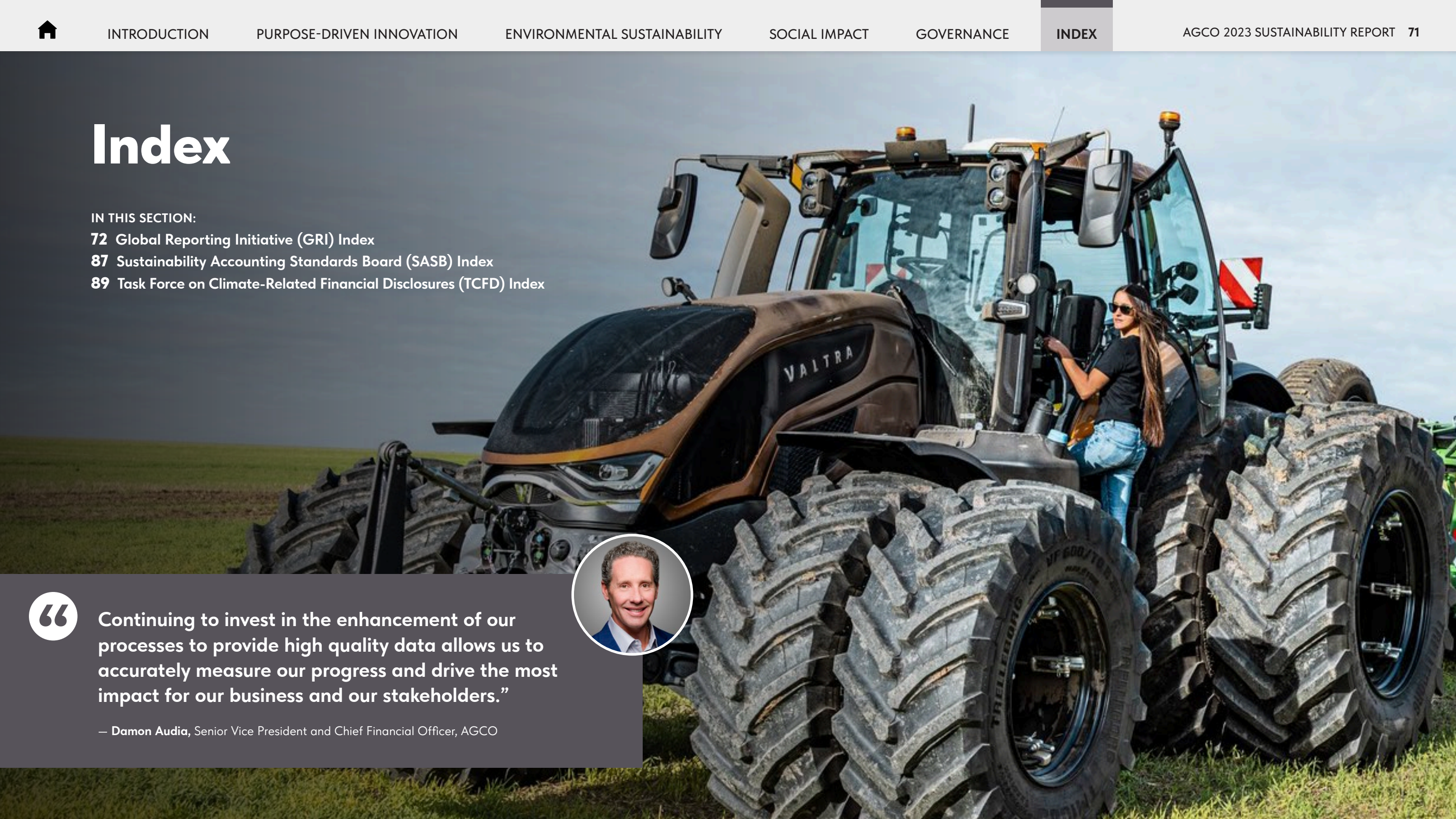
87 Sustainability Accounting Standards Board (SASB) Index

89 Task Force on Climate-Related Financial Disclosures (TCFD) Index



Continuing to invest in the enhancement of our processes to provide high quality data allows us to accurately measure our progress and drive the most impact for our business and our stakeholders.”

— Damon Audia, Senior Vice President and Chief Financial Officer, AGCO







# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

- ▶ **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

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

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

#### Global Reach

2023 10-K, page 3 (Dealers and Distributions)

4205 River Green Parkway, Duluth, GA 30096-2568

### 2-2

#### Entities included in the organization’s sustainability reporting

2023 10-K, page 52 (Basis of Presentation and Consolidation)

### 2-3

#### Reporting period, frequency and contact point

AGCO’s 2023 Sustainability Report includes data covering the calendar year ending December 31, 2023.

The Sustainability Report is an annual report, reporting period is aligned with AGCO’s financial reporting period.

Global Sustainability & ESG Reporting Manager

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

### 2-4

#### Restatement of information

In the 2023 Sustainability report, AGCO corrected the ethnic diversity rate. The 2021 ethnic diversity rate was previously reported in the 2022 report as 18% due to a calculation error. The 2021 ethnic diversity rate was corrected to 15% in this report.

### 2-5

#### External assurance

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

## Activities and workers

### 2-6

#### Activities, value chain, and other business relationships

Brand leadership for profitable, sustainable farming

2023 10-K, page 1 (General)

2023 Annual Report, page 2

We Win When Farmers Win’

### 2-7

#### Employees

AGCO employed approximately 27,900 employees as of December 31, 2023.

2023 10-K, page 1 (General)

2023 10-K, page 7 (Human Capital)

Global Workforce

| WORKFORCE               | FULL-TIME | PART-TIME |
|-------------------------|-----------|-----------|
| Male                    | 22,815    | 258       |
| Female                  | 4,551     | 325       |
| Gender undeclared/other | 15        | 4         |
| APA                     | 1,724     | 6         |
| EME                     | 14,345    | 510       |
| NA                      | 6,269     | 67        |
| SA                      | 5,043     | 4         |

### 2-8

#### Workers who are not employees

1,008 temporary or fixed-term employees in 2023.

## Governance

### 2-9

#### Governance structure and composition

Governance

Governance Committee Charter (updated April 2022)

2024 Proxy Statement, pages 16-18

(The Board and Corporate Governance)

2024 Proxy Statement, page 9 (Election of Directors)

### 2-10

#### Nomination and selection of the highest governance body

Board composition

Governance Committee Charter (updated April 2022)

2024 Proxy Statement, page 17 (Governance Committee)

and pages 18-19 (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 continued to hold it in 2022 and 2023.

2024 Proxy Statement, page 21 (Board Leadership Structure)





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 2: General disclosures (2021)

#### Governance (cont.)

##### 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](#)

##### 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, Global 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.

[Our Sustainability Governance Structure At-a-Glance](#)

[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

[2023 10-K, pages 11-22 \(Risk Factors\)](#)

##### 2-17

##### Collective knowledge of the highest governance body

[2024 Proxy Statement, pages 9-14 \(Election of Directors\)](#)

[Board composition](#)

##### 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.

[2024 Proxy Statement, page 18 \(Identification and Evaluation of Director Nominees\)](#)

[2024 Proxy Statement, page 17 \(Board and Corporate Governance\)](#)

##### 2-19

##### Remuneration policies

[2024 Proxy Statement, pages 34-35 \(Certain Officers\)](#)

##### 2-20

##### Process to determine remuneration

[2024 Proxy Statement, page 34 \(Stockholder Outreach\)](#)

[2024 Proxy Statement page 45 \(Role of the Talent and Compensation Committee\), page 46 \(Pay Governance and Pay for Performance Philosophy\), and page 47 \(Compensation Consideration\)](#)

##### 2-21

##### Annual total compensation ratio

[2024 Proxy Statement, page 69 \(2022 CEO Pay Ratio\)](#)

##### 2-22

##### Statement on sustainable development strategy

[A letter from our CEO](#)

[2023 Annual Report, page 1 \(CEO Message\)](#)





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

- ▶ **GRI 2: General disclosures (2021)**
- ▶ **GRI 3: Material topics (2021)**

### Strategy, policies and practices

#### 2-23

##### Policy commitments

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

[Global Code of Conduct](#)

[Corporate Governance Principles \(Updated December 2023\)](#)

[Supplier Code of Conduct](#)

[Health and Safety Policy](#)

[Environment and Climate Change Policy](#)

#### 2-24

##### Embedding policy commitments

[Governance](#)

#### 2-26

##### Mechanisms for seeking advice and raising concerns

AGCO maintains an external email address, phone numbers and customer feedback form for all regions as a mechanism for employees, contractors, vendors and customers to raise concerns related to a violation of law, our Code or AGCO policies (see [Feedback and Questions and AGCO Alert Line](#)).

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

[Global Code of Conduct, page 7 \(“How to address issues and raise concerns”\)](#)

#### 2-27

##### Compliance with laws and regulations

#### 2-28

##### Membership associations

[Public Policy](#)

### 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.

[Zeroing in on key topics](#)

#### 2-30

##### Collective bargaining agreements

979 U.S. employees were represented by a trade union in 2023, which accounts for 15% of the NA workforce.

[2023 10-K, page 7 \(Unions, Collective Bargaining Agreements and Work Councils\)](#)

### Material topics

#### 3-1

##### Process to determine material topics

[Zeroing in on key topics](#)

#### 3-2

##### List of material topics

[Zeroing in on key topics](#)

### Economic performance (2016)

#### 201-1

##### Direct economic value generated and distributed

[2023 Annual Report, page 0 \(2023 At-a-Glance Financial Highlights\)](#)

[2023 10-K, page 51 \(Consolidated Statements of Cash Flows\)](#)

#### 201-2

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

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

### Anti-corruption (2016)

#### 205-2

##### Communication and training about anti-corruption policies and procedures

[2023 10-K, page 8 \(Talent\)](#)





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## 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. To reduce the use of nonrenewable energy, we are implementing energy conservation, recovery and efficiency measures, exploring solutions for electrification of natural gas usage and switching existing fossil fuel use to biofuels. We are increasing the share of renewable electricity use by purchasing renewable electricity and continue installing on-site solar panels. From 2022 onward, we are collecting 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 2023 separately (with historic figures for the same scope) and energy consumption of the complete portfolio. In addition, we are disclosing our company vehicles-related energy consumption and associated GHG emissions in our complete portfolio 2023 data (Scope 1 and Scope 2). Our company car fleet energy consumption comes from various fuels: diesel, petrol, ethanol and electrical power. In 2023, we reduced the energy consumption of our company car fleet by 3%, and 11% of vehicles were hybrid or fully electric. In 2023, our manufacturing energy consumption increased by 2%, as a result of an increase in production volumes and expansion of multiple facilities.

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. Nonrenewable 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 and biomass) 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. In 2023, we implemented a new approach and estimated December 2023 energy consumption across all sites to align better with external

|  | ENERGY CONSUMPTION (GJ) |           |           |                  |                    |                  |
|--|-------------------------|-----------|-----------|------------------|--------------------|------------------|
|  | MANUFACTURING           |           |           |                  | COMPLETE PORTFOLIO |                  |
|  | 2020                    | 2021      | 2022      | 2023             | 2022               | 2023             |
| <b>Total energy consumption (GJ)</b>   | 1,872,538               | 2,102,740 | 2,141,841 | <b>2,178,437</b> | 2,505,224          | <b>2,505,470</b> |
| <b>Total fuel consumption from nonrenewable sources (GJ)</b>                   | 834,583                 | 936,892   | 995,845   | <b>1,031,081</b> | 1,111,491          | <b>1,119,918</b> |
| Natural gas (GJ)   | 627,249                 | 707,206   | 749,373   | <b>784,293</b>   | 853,981            | <b>854,983</b>   |
| LPG (GJ)   | 75,322                  | 83,442    | 86,746    | <b>93,863</b>    | 90,059             | <b>96,184</b>    |
| Diesel (GJ)  | 125,226                 | 140,129   | 153,172   | <b>146,588</b>   | 167,268            | <b>159,501</b>   |
| Other liquid fossil fuels (petrol, fuel oil, heating oil) (GJ)                 | 6,786                   | 6,114     | 6,554     | <b>6,337</b>     | 8,604              | <b>9,250</b>     |
| <b>Total energy consumption from renewable sources (GJ)</b>                    | 494,007                 | 672,428   | 769,642   | <b>852,316</b>   | 785,186            | <b>868,415</b>   |
| <b>Total renewable electricity consumption (GJ)</b>                            | 335,021                 | 480,750   | 583,862   | <b>671,151</b>   | 597,349            | <b>685,192</b>   |
| <b>Total renewable district heating consumption (GJ)</b>                       | 129,525                 | 156,022   | 136,352   | <b>136,210</b>   | 136,352            | <b>136,210</b>   |
| <b>Total fuel consumption from renewable sources (biodiesel, biomass) (GJ)</b> | 29,461                  | 35,656    | 49,427    | <b>44,953</b>    | 51,485             | <b>47,013</b>    |
| <b>Total electricity consumption (GJ)</b>                                      | 855,131                 | 941,259   | 933,154   | <b>936,325</b>   | 1,023,849          | <b>1,025,130</b> |
| <b>Total renewable electricity consumption (GJ)</b>                            | 335,021                 | 480,750   | 583,862   | <b>671,151</b>   | 597,349            | <b>685,256</b>   |
| <b>Total grid (purchased electricity) consumption (GJ)</b>                     | 848,350                 | 934,828   | 922,729   | <b>926,047</b>   | 1,013,424          | <b>1,014,431</b> |
| <b>Total on-site electricity generation (GJ)</b>                               | 6,781                   | 6,431     | 7,401     | <b>10,279</b>    | 7,401              | <b>10,699</b>    |
| <b>Total district heating and steam consumption (GJ)</b>                       | 153,363                 | 188,933   | 163,415   | <b>166,077</b>   | 166,547            | <b>166,325</b>   |
| <b>Total company vehicles energy consumption (GJ)</b>                          | N/A                     | N/A       | N/A       | <b>N/A</b>       | 151,852            | <b>147,085</b>   |





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Energy (cont.)

reporting commitments. Estimated data is updated when actual data becomes available, and figures are restated in the next Sustainability Report and CDP Report. Our nonmanufacturing 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 ~9% for manufacturing sites and ~10% for the complete portfolio in 2023.

In 2023, 16% of our manufacturing sites were ISO 14001 certified and 6% held an ISO 50001 certification.

### REGIONAL BREAKDOWN

| TOTAL ENERGY CONSUMPTION (GJ) |               |           |           |           |                    |           |
|-------------------------------|---------------|-----------|-----------|-----------|--------------------|-----------|
|                               | MANUFACTURING |           |           |           | COMPLETE PORTFOLIO |           |
|                               | 2020          | 2021      | 2022      | 2023      | 2022               | 2023      |
| Corporate                     | 1,872,538     | 2,102,740 | 2,141,841 | 2,178,437 | 2,505,224          | 2,505,470 |
| APA                           | 58,508        | 93,292    | 89,244    | 80,540    | 115,889            | 105,108   |
| EME                           | 954,889       | 1,090,089 | 1,026,455 | 1,030,956 | 1,217,660          | 1,170,131 |
| NA                            | 642,719       | 659,147   | 726,044   | 746,335   | 848,275            | 874,695   |
| SA                            | 216,423       | 260,212   | 300,098   | 320,605   | 323,401            | 355,537   |

| TOTAL ELECTRICITY CONSUMPTION (GJ) |               |         |         |         |                    |           |
|------------------------------------|---------------|---------|---------|---------|--------------------|-----------|
|                                    | MANUFACTURING |         |         |         | COMPLETE PORTFOLIO |           |
|                                    | 2020          | 2021    | 2022    | 2023    | 2022               | 2023      |
| Corporate                          | 855,131       | 941,259 | 933,154 | 936,325 | 1,023,849          | 1,028,299 |
| APA                                | 37,989        | 54,937  | 52,769  | 48,495  | 66,493             | 62,099    |
| EME                                | 419,206       | 452,988 | 455,334 | 475,297 | 499,982            | 511,567   |
| NA                                 | 272,221       | 284,821 | 270,655 | 255,584 | 298,643            | 293,321   |
| SA                                 | 125,715       | 148,514 | 154,395 | 156,950 | 158,731            | 161,312   |

| TOTAL RENEWABLE ENERGY CONSUMPTION (GJ) |               |         |         |         |                    |         |
|---|---------------|---------|---------|---------|--------------------|---------|
|   | MANUFACTURING |         |         |         | COMPLETE PORTFOLIO |         |
|   | 2020          | 2021    | 2022    | 2023    | 2022               | 2023    |
| Corporate                               | 494,007       | 672,428 | 769,642 | 852,316 | 785,186            | 868,415 |
| APA                                     | –             | –       | –       | –       | –                  | –       |
| EME                                     | 362,308       | 528,158 | 517,409 | 594,040 | 528,871            | 605,383 |
| NA                                      | 4,882         | 4,688   | 62,971  | 70,846  | 63,161             | 71,690  |
| SA                                      | 126,817       | 139,582 | 189,262 | 187,430 | 193,154            | 191,342 |

| TOTAL RENEWABLE ELECTRICITY CONSUMPTION (GJ) |               |         |         |         |                    |         |
|--|---------------|---------|---------|---------|--------------------|---------|
|  | MANUFACTURING |         |         |         | COMPLETE PORTFOLIO |         |
|  | 2020          | 2021    | 2022    | 2023    | 2022               | 2023    |
| Corporate                                    | 335,021       | 480,750 | 583,862 | 671,151 | 597,349            | 685,192 |
| APA  | –             | –       | –       | –       | –                  | –       |
| EME  | 224,180       | 362,692 | 370,359 | 445,959 | 379,764            | 455,244 |
| NA   | 4,882         | 4,688   | 62,971  | 70,846  | 63,161             | 71,690  |
| SA   | 105,959       | 113,370 | 150,532 | 154,346 | 154,424            | 158,258 |





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Energy (cont.)

### 302-3

#### Energy intensity

Energy and electricity intensity ratio is disclosed for both the manufacturing sites and the full portfolio, using total company net sales (million USD) as normalisation metric. In the energy intensity figure, the numerator is the total energy consumed within the organization, which includes electricity (purchased and self-generated), district heating and fuel usage (diesel, petrol, biodiesel, other liquid fuels, natural gas, LPG) from nonrenewable and renewable sources as applicable and detailed in 302-1. The complete portfolio metric also includes company vehicles-related energy use (including the use of petrol, diesel, ethanol and electricity in our owned and leased on-road vehicles).

| ENERGY INTENSITY PER TOTAL NET SALES<br>(MWh/MILLION USD NET SALES) |               |       |       |              |                    |              |
|---|---------------|-------|-------|--------------|--------------------|--------------|
|   | MANUFACTURING |       |       |              | COMPLETE PORTFOLIO |              |
|   | 2020          | 2021  | 2022  | 2023         | 2022               | 2023         |
| <b>Corporate</b>  | 56.85         | 52.44 | 47.03 | <b>41.99</b> | 55.01              | <b>48.29</b> |
| <b>APA</b>  | 22.14         | 27.29 | 27.32 | <b>25.28</b> | 35.48              | <b>32.99</b> |
| <b>EME</b>  | 42.63         | 56.42 | 44.22 | <b>37.98</b> | 52.46              | <b>43.11</b> |
| <b>NA</b>   | 82.08         | 68.85 | 63.52 | <b>55.24</b> | 74.21              | <b>64.75</b> |
| <b>SA</b>   | 68.80         | 55.27 | 39.29 | <b>39.86</b> | 42.34              | <b>44.20</b> |

| ELECTRICITY INTENSITY PER TOTAL NET SALES<br>(MWh/MILLION USD NET SALES) |               |       |       |              |                    |              |
|--|---------------|-------|-------|--------------|--------------------|--------------|
|  | MANUFACTURING |       |       |              | COMPLETE PORTFOLIO |              |
|  | 2020          | 2021  | 2022  | 2023         | 2022               | 2023         |
| <b>Corporate</b>   | 25.96         | 23.47 | 20.49 | <b>18.05</b> | 22.48              | <b>19.82</b> |
| <b>APA</b>   | 14.38         | 16.07 | 16.15 | <b>15.22</b> | 20.36              | <b>19.49</b> |
| <b>EME</b>   | 18.72         | 23.45 | 19.62 | <b>17.51</b> | 21.54              | <b>18.85</b> |
| <b>NA</b>  | 34.77         | 29.75 | 23.68 | <b>18.92</b> | 26.13              | <b>21.71</b> |
| <b>SA</b>  | 39.96         | 31.55 | 20.21 | <b>19.51</b> | 20.78              | <b>20.06</b> |

### 302-4

#### Reduction of energy consumption

During 2023, we had in place a 2.5% energy intensity reduction target for our manufacturing sites, which, coupled with the ongoing QUEST program, supports the implementation of energy efficiency measures and projects. These include LED lighting upgrade, upgrade of HVAC and compressed air systems. We achieved 2 GWh reduction in our energy use as a direct result of energy conservation and efficiency projects implemented in 2023. Types of energy included are: fuel (biodiesel, diesel, LPG, natural gas) and electricity. Energy consumption reduction is compared to a baseline of energy usage without any intervention/change, which methodology follows the assumptions and methods of project scoping and impact assessment in the QUEST tool.

## Water and effluents (2018)

### 303-1

#### Interactions with water as a shared resource

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. Using the WRI Aqueduct Water Risk Atlas, we have identified six of our manufacturing sites that are currently located in high or extremely high water stress areas and six more sites that are predicted to experience high or extremely high water stress by 2030 under the business as usual scenario. This includes five sites in the U.S. in Kansas, Illinois and Minnesota; three sites in China and Malaysia; and four sites in Europe. In 2023, we have set a new target to reduce our water withdrawal by 10% overall across all of our manufacturing sites by 2026. Within this target, we are expecting the most ambitious contribution





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Water and effluents (cont.)

from our top 11 sites by absolute water withdrawal, which accounts for 85% of our total water withdrawal. Six of the top 11 sites are high or extremely high water stress sites, and account for 93% of the total withdrawal of high and extremely high water stress sites. All disclosed water metrics are reflective of manufacturing sites, which accounts for 97% of our total water withdrawal.

### 303-3

#### Water withdrawal

Our sites report water withdrawal from municipal water supply and other water sources (mainly groundwater wells), and it is understood as freshwater sources. 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. From 2023 onward, we are reporting the same metrics for high and extremely high water stressed sites, and disclosing these metrics retrospectively for 2021 and 2022 in this report.

|   | WATER WITHDRAWAL FROM MUNICIPAL WATER SUPPLY (m <sup>3</sup> ) |         |                | WATER WITHDRAWAL FROM OTHER WATER SUPPLY (m <sup>3</sup> ) |         |                | WATER DISCHARGE (m <sup>3</sup> ) |         |                |
|---|--|---------|----------------|--|---------|----------------|-----------------------------------|---------|----------------|
|   | 2021   | 2022    | 2023           | 2021   | 2022    | 2023           | 2021                              | 2022    | 2023           |
| <b>Corporate</b>  | 466,160  | 467,440 | <b>512,133</b> | 244,568  | 258,509 | <b>339,338</b> | 528,357                           | 520,756 | <b>606,476</b> |
| <b>High and extremely high water stressed manufacturing locations</b> | 197,238  | 205,517 | <b>247,833</b> | 113,195  | 108,839 | <b>125,265</b> | 260,520                           | 264,702 | <b>292,428</b> |
| APA   | 47,338   | 38,360  | <b>59,162</b>  | 42,312   | 37,375  | <b>19,152</b>  | 89,650                            | 75,735  | <b>78,313</b>  |
| EME   | 161,073  | 158,700 | <b>184,956</b> | 78,711   | 79,293  | <b>113,940</b> | 177,272                           | 178,345 | <b>204,874</b> |
| NA  | 118,020  | 126,218 | <b>142,154</b> | –  | –       | –              | 117,717                           | 126,133 | <b>142,080</b> |
| SA  | 139,728  | 144,162 | <b>125,861</b> | 123,545  | 141,841 | <b>206,246</b> | 143,718                           | 140,542 | <b>181,210</b> |

|   | WATER REUSED/RECYCLED (m <sup>3</sup> ) |       |              | WATER CONSUMPTION (m <sup>3</sup> ) |         |                | WATER WITHDRAWAL INTENSITY (m <sup>3</sup> /’000 STD HRS) |        |               |
|---|---|-------|--------------|-------------------------------------|---------|----------------|---|--------|---------------|
|   | 2021                                    | 2022  | 2023         | 2021                                | 2022    | 2023           | 2021  | 2022   | 2023          |
| <b>Corporate</b>  | 3,919                                   | 2,742 | <b>5,102</b> | 178,452                             | 202,451 | <b>239,892</b> | 61.92   | 60.30  | <b>68.84</b>  |
| <b>High and extremely high water stressed manufacturing locations</b> | 132                                     | 73    | <b>67</b>    | 49,781                              | 49,581  | <b>80,602</b>  | 70.05   | 70.94  | <b>84.19</b>  |
| APA   | –                                       | –     | –            | –                                   | –       | –              | 105.62  | 90.37  | <b>110.26</b> |
| EME   | 2,634                                   | 1,694 | <b>3,483</b> | 59,879                              | 57,953  | <b>90,539</b>  | 41.42   | 38.62  | <b>45.30</b>  |
| NA  | 288                                     | 73    | <b>67</b>    | 16                                  | 12      | <b>7</b>       | 47.83   | 52.34  | <b>55.01</b>  |
| SA  | 998                                     | 975   | <b>1,551</b> | 118,557                             | 144,486 | <b>149,346</b> | 111.00  | 108.89 | <b>134.07</b> |





# Global Reporting Initiative (GRI) Index

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## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Water and effluents (cont.)

### 303-4

#### Water discharge

See 303-3

### 303-5

#### Water consumption

See 303-3

Water consumption in 2023 has increased by 18%, which can be attributed to the increase in production, the expansion of multiple sites and leakage at one of our facilities.

## 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

In 2022 we have achieved our initial Scope 1 and 2 GHG emissions-reduction target ahead of schedule. In 2023, we announced our new, ambitious Scope 1 and 2 GHG emissions-reduction target, in line with the 1.5°C emission-reduction pathway: reduce absolute Scope 1 and 2

emissions by 55% by 2023, compared to a 2022 baseline. In addition, we have a target to achieve 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. 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 toward increasing 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). All of these measures contribute to reducing our reliance on nonrenewable energy sources, especially natural gas, which is crucial for achieving our absolute Scope 1 and 2 GHG emissions reduction target.

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 emissions data of our sites. The GHGs included in our calculations are CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. We report GHG emissions in tCO<sub>2</sub>e, and use global warming potentials of CH<sub>4</sub> and N<sub>2</sub>O to calculate CO<sub>2</sub>e according to the 5<sup>th</sup> International Panel on Climate Change Assessment Report.

|  | MANUFACTURING |         |        |        | COMPLETE PORTFOLIO |         |
|--|---------------|---------|--------|--------|--------------------|---------|
|  | 2020          | 2021    | 2022   | 2023   | 2022               | 2023    |
| Scope 1 (tCO <sub>2</sub> e)                     | 50,269        | 58,342  | 62,073 | 64,126 | 80,618             | 79,541  |
| Scope 2 location-based (tCO <sub>2</sub> e)      | 91,287        | 99,280  | 83,197 | 88,229 | 91,508             | 97,274  |
| Scope 2 market-based (tCO <sub>2</sub> e)        | 50,259        | 47,953  | 33,731 | 28,768 | 41,803             | 37,999  |
| Total Scope 1+2MB emissions (tCO <sub>2</sub> e) | 100,528       | 106,295 | 95,804 | 92,894 | 122,421            | 117,540 |

## REGIONAL BREAKDOWN

| SCOPE 1+2 MARKET-BASED EMISSIONS (tCO <sub>2</sub> e) |               |         |        |        |                    |         |
|---|---------------|---------|--------|--------|--------------------|---------|
|   | MANUFACTURING |         |        |        | COMPLETE PORTFOLIO |         |
|   | 2020          | 2021    | 2022   | 2023   | 2022               | 2023    |
| Corporate   | 100,528       | 106,295 | 95,804 | 92,894 | 122,421            | 117,540 |
| APA   | 7,768         | 11,789  | 11,282 | 10,242 | 15,000             | 13,252  |
| EME   | 38,834        | 36,725  | 32,811 | 28,868 | 43,320             | 37,665  |
| NA  | 48,615        | 51,047  | 44,338 | 44,897 | 54,665             | 55,440  |
| SA  | 5,311         | 6,734   | 7,373  | 8,886  | 9,435              | 11,182  |





# Global Reporting Initiative (GRI) Index

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## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Emissions (cont.)

### 305-2

#### Energy indirect (Scope 2) GHG emissions

See 305-1

### 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 15 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 and 2023. All emissions are expressed in tCO<sub>2</sub>e. 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 GHG EMISSIONS (tCO <sub>2</sub> e) |                |              |              |  |
|--|----------------|--------------|--------------|--|
| SCOPE 3 CATEGORY                           | 2021 INVENTORY | 2022         | 2023         | APPROACH   |
| 1 Purchased goods and services             | 4,671,012      | 5,460,383    | 5,677,222    | All purchased goods and services were included based on spend data by material and supplier location.  |
| 2 Capital goods                            | N/A            | N/A          | N/A          | Included in purchased goods and services.  |
| 3 Fuel- and energy-related activities      | 7,256          | Not material | Not material | Energy used in operations associated with our reported Scope 1 and 2 emissions, calculated on fuel level, based on actual kWh consumption.             |
| 4 Upstream transportation and distribution | 1,665,648      | 1,947,132    | 2,024,277    | Spend-based data was used for each transport method and region.  |
| 5 Waste generated in operations            | 11,516         | Not material | Not material | Country waste averages were used for each region. Calculated for manufacturing sites only, doubled to include offices and rest.                        |
| 6 Business travel                          | 11,031         | Not material | Not material | Air, rail and road (rental cars etc., not employee commuting) transport were accounted for.  |
| 7 Employee commuting                       | 40,693         | Not material | Not material | Country data averages were used for travel methods, distances and remote working percentages.  |
| 8 Upstream leased assets                   | N/A            | N/A          | 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      | 383,178      | Spend-based data was used for each transport method and region.  |
| 10 Processing of sold products             | N/A            | N/A          | 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   | 21,435,904   | This includes all use-phase emissions of both tractors and non-tractors.   |
| 12 End-of-life treatment of sold products  | N/A            | N/A          | N/A          | It is rare that tractors reach end of life as they are cascaded to 2nd/3rd markets. Recycled products account for below 1% of our baseline.            |
| 13 Downstream leased assets                | N/A            | N/A          | N/A          | AGCO does not lease assets to third parties.   |
| 14 Franchises                              | N/A            | N/A          | N/A          | AGCO does not have franchises.   |
| 15 Investments                             | 15,000         | Not material | Not material | 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. |





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Emissions (cont.)

### 305-4

#### GHG emissions intensity

In 2023, our Scope 1+2 manufacturing emission intensity (per million USD of net sales) decreased by 15% compared to 2022, and by 41% compared to 2020. Since 2022, we are calculating the Scope 1+2 emissions of our whole operations, and we have achieved 16% reduction of this emission intensity metric in 2023, compared to 2022.

| EMISSION INTENSITY PER TOTAL NET SALES (tCO <sub>2</sub> e/MILLION USD NET SALES) |               |       |       |       |                    |       |
|---|---------------|-------|-------|-------|--------------------|-------|
|   | MANUFACTURING |       |       |       | COMPLETE PORTFOLIO |       |
|   | 2020          | 2021  | 2022  | 2023  | 2022               | 2023  |
| Corporate   | 10.99         | 9.54  | 7.57  | 6.45  | 9.68               | 8.16  |
| APA   | 10.58         | 12.41 | 12.43 | 11.57 | 16.53              | 14.97 |
| EME   | 6.24          | 6.84  | 5.09  | 3.83  | 6.72               | 5.00  |
| NA  | 22.35         | 19.20 | 13.96 | 11.96 | 17.22              | 14.77 |
| SA  | 6.08          | 5.15  | 3.48  | 3.98  | 4.45               | 5.00  |

### 305-5

#### Reduction of GHG emissions

In 2023, we continued to increase the amount of renewable electricity by enrolling one of our largest European manufacturing sites to our ongoing unbundled EAC purchase program and purchasing renewable electricity for 75% of their electricity consumption, with a gradual ramp-up planned to 100% by 2026. The direct emissions-reduction results of these initiatives were approximately 4,000 tCO<sub>2</sub>e (compared to a baseline of market-based emissions in the absence of the reduction initiatives).

### 305-7

#### Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and other significant air emissions

Our VOC air emissions have increased 2% compared to 2022, due to the increase in production and the expansion of paint lines at two of our facilities. Main sources of VOC emissions are solvents and paints used in the manufacturing process.

| VOC EMISSIONS (METRIC TON) |      |      |      |      |
|----------------------------|------|------|------|------|
|                            | 2020 | 2021 | 2022 | 2023 |
| Corporate                  | 453  | 501  | 575  | 584  |
| APA                        | 2    | 1    | 2    | 3    |
| EME                        | 190  | 216  | 269  | 256  |
| NA                         | 118  | 105  | 109  | 104  |
| SA                         | 143  | 180  | 196  | 221  |





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Waste (2020)

### 306-1

#### Waste generation and significant waste-related impacts

95% of the waste generated across our operations is associated with the manufacturing sites. Waste data is collected in our ESG data management tool, AGCO STAR from all of our sites on a monthly basis.

We set a new goal in 2023 to reduce our waste generated in our manufacturing operations globally: divert and maintain 90% of nonhazardous waste from landfills by 2026. 90% of our waste generated in our manufacturing operations is nonhazardous waste, with an 86% diversion from landfill rate in 2022, and 92% in 2023. Manufacturing sites that are currently below 90% diversion from landfill rate will assess their waste streams and develop actions to gradually increase their diversion rate. These actions include review and optimization of packaging materials, exploring reuse and recycling options and employee awareness-raising and education. In 2023, the North America region rolled out a Resource Conservation and Recovery (RCRA) and Spill Prevention Control and Countermeasures (SPCC) training to manufacturing and assembly sites to ensure employees' understanding of the environmental and community impact of hazardous waste and pollution. Environmental Focus Assessments are carried out annually for selected facilities, which include risk assessments of waste hauled off-site for end-of-life treatment, and the report, improvement plans and implementation progress are reviewed by facility leadership and by the assessor.

### 306-2

#### Management of significant waste-related impacts

See 306-1

### 306-3

#### Waste generated

### 306-4

#### Waste diverted from disposal

### 306-5

#### Waste directed to disposal

|                              | TOTAL WASTE (METRIC TON) | NONHAZARDOUS WASTE (METRIC TON) | % OF TOTAL | HAZARDOUS WASTE (METRIC TON) | % OF TOTAL |
|------------------------------|--------------------------|---------------------------------|------------|------------------------------|------------|
| Waste generated              | 93,324                   | 83,839                          | 90%        | 9,485                        | 10%        |
| Waste disposed               | 7,441                    | 6,856                           | 92%        | 586                          | 8%         |
| Waste diverted from landfill | 85,882                   | 76,983                          | 90%        | 8,899                        | 10%        |
| Waste recycled               | 81,360                   | 74,908                          | 92%        | 6,452                        | 8%         |
| Waste incinerated            | 4,523                    | 2,075                           | 46%        | 2,447                        | 54%        |

In 2023, 89% of manufacturing nonhazardous waste was recycled, 3% was incinerated and 8% was disposed (landfilled).

## Supplier environmental assessment (2016)

### 308-1

#### New suppliers that were screened using environmental criteria

For new suppliers, we carry out on-site readiness reviews that include some environmental screening criteria and form part of our risk assessment process. Our Purchasing team is currently working on a new onboarding process that will incorporate these criteria and formalize the process.

### 308-2

#### Negative environmental impacts in the supply chain and actions taken

Engaging suppliers





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Employment (2016)

### 401-1

#### New employee hires and employee turnover

| NEW HIRES   |                    |              |
|---|--------------------|--------------|
| <b>TOTAL</b>  |                    | <b>5,216</b> |
| <b>Gender</b>   | Male               | 4,095        |
|   | Female             | 1,105        |
|   | Undeclared/other   | 16           |
| <b>Region</b>   | APA                | 292          |
|   | EME                | 2,105        |
|   | NA                 | 1,598        |
|   | SA                 | 1,221        |
| <b>Age group</b>                                      | 30-50 years old    | 2,809        |
|   | over 50 years old  | 560          |
|   | under 30 years old | 1,847        |
| EMPLOYEE TURNOVER                                     |                    |              |
| <b>TOTAL EMPLOYEE TURNOVER RATE</b>                   |                    | <b>10.5%</b> |
| <b>VOLUNTARY TURNOVER RATE</b>                        |                    | <b>7.5%</b>  |
| Total employee turnover rate – breakdown by gender    | Male               | 10.5%        |
|   | Female             | 10.5%        |
| Total employee turnover rate – breakdown by region    | APA                | 10.2%        |
|   | EME                | 6.2%         |
|   | NA                 | 17.4%        |
|   | SA                 | 14.6%        |
| Total employee turnover rate – breakdown by age group | under 30 years old | 16.8%        |
|   | 30-50 years old    | 9.2%         |
|   | over 50 years old  | 9.4%         |

### 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.

### 402-1

#### Minimum notice periods regarding operational changes

We provide notice regarding any operational changes at minimum in compliance with local laws and the provisions of relevant collective bargaining agreements or as soon as possible.

## Occupational health and safety (2016)

### 403

#### Management approach

Health, safety and wellbeing

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 our 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 2023, 12 (38%) of our manufacturing sites were certified to ISO 45001. Eight additional sites are in the process of obtaining certification. Our operations undergo various safety audits and inspections throughout the year. There are internal audits performed to evaluate current practices and performance, used to measure the maturity of the operation. One of the key outcomes is providing the operation with specific prioritized actions to take to help further develop and improve their performance. This consultative approach is well received by the operation leaders, who value the positive and collaborative process as it quickens improving their performance.

All our operations that have different ISO Certifications also receive regular external audits from their registrars. These audits are to ensure compliance to the ISO Standards and provide good feedback on strengths of their systems and processes as well as provide further opportunities for improvement.

### 403-2

#### Hazard identification, risk assessment, and incident investigation

Factory risk assessments are systematically carried out by trained professionals and are used as a training opportunity for Group Leaders and Team Leaders to strengthen their skill set. It is a valuable approach to educate employees and drive personal ownership of safety to every employee.

Employees also received risk assessment training as part of a mandatory online training module. The material outlined the process for evaluating hazards at the workplace (and at home for remote workers) and provided guidance for employees on actions required to mitigate them.





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

#### Occupational health and safety (cont.)

During 2023, we have also started to evaluate the different approaches to emergency planning within our operations with the help of a third-party subject matter expert. We anticipate the results will provide us a more comprehensive and consistent set of practices that will ensure a more robust management of these key processes.

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

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

Health, safety and wellbeing

All employees are assigned a mandatory training on our health and safety policies, goals, processes and tools, as well as a separate training on identifying health and safety risks. In 2023, our Behavior Based Safety training was launched to teach employees how to conduct positive safety interactions and how to model safety leadership behaviors. This training also employs a ‘Learn By Doing’ exercise, requiring employees to demonstrate their new skills with oversight and coaching from their manager. This proven method helps ensure the key lessons are both understood and deployed through their actions.

We also introduced enhanced onboarding practices to ensure new hires received extensive safety training including safe workplace standards in our APS Learning Factories. Several types of employee coaching, mentoring and restricted work for new hires were expanded. As an example, all new hires in our Beauvais, France, factory, are allowed to perform only ‘low risk’ work when they begin. As they demonstrate good safety practices and get acclimated to the factory environment, they can gradually progress into more challenging work processes.

#### 403-6 Promotion of worker health

Advancing employee wellbeing

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

#### 403-9 Work-related injuries

Improving our safety performance

In 2023, our Total Case Incident Rate (TCIR) was 1.86, making it the third year in a row we achieved double digit improvement, reflecting 15% improvement year over year. We have set an aggressive safety performance target to achieve a TCIR rate below 1.5 by the end of 2025. Within the AGCO workforce, one fatal incident occurred in 2023. Within the contractor workforce, no fatalities were recorded.

|  | 2020 | 2021 | 2022 | 2023        |
|--|------|------|------|-------------|
| <b>Total case incident rate (TCIR)</b> | 2.87 | 2.53 | 2.18 | <b>1.86</b> |



# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

## Training and education (2016)

### 404-1

#### Average hours of training per year per employee

Developing our talent

| AVERAGE HOURS OF TRAINING* / EMPLOYEE CATEGORY | WHITE-COLLAR STAFF | LEADERSHIP GROUP |
|--|--------------------|------------------|
| Male   | 22                 | 36               |
| Female   | 25                 | 26               |
| <b>Total for employees in scope**</b>          | <b>27</b>          |                  |

\* These numbers only represent the learning that happened through and was registered in the central Learning Management System.

\*\* Representing approximately 50% of the total workforce

### 404-2

#### Programs for upgrading employee skills and transition assistance programs

Recruiting, retaining and developing top 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 onboarded 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 manager's 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

2023 10-K, page 9 (Diversity)

Our 2023 Workforce at-a-Glance

AGCO U.S. EEO-1 2022 Employment data

## Supplier social assessment (2016)

### 414-2

#### Negative social impacts in the supply chain and actions taken

Engaging suppliers

Managing risks in our supply chain

## Public policy (2016)

### 415

#### Management approach

Governance, Oversight and Management of AGCO's public policy activities are defined in its Position Statement document. AGCO's Government Affairs Policy governs the company's interaction with elected officials and legislative and regulatory bodies at all levels.

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. The rules for political and community engagement that employees must follow are also set out in our Global Code of Conduct. We communicate our strategic priorities and perspective on matters of public policy with our trade associations, policymakers and, as appropriate, the public so that our positions are known.

### 415-1

#### Political contributions

In 2023, we did not engage in any financial and/or in-kind contribution to any political campaign.

AGCO supports and engages with trade associations for many reasons, including development and sharing of best practices on matters important to the agricultural equipment industry, advocacy on behalf of industry interests, promotion of public policy and/or general support for an organization's mission. AGCO's engagement depends on the role the trade association plays in helping AGCO achieve its strategic objectives and may include varying levels of financial support, involvement on the board and/or with key committees, or targeted financial support for key initiatives within a broader organization. We periodically re-evaluate our memberships and engagement models to ensure alignment and review our trade association memberships to determine if any adjustments are needed in our membership status or the financial support we provide to the organization.





# Global Reporting Initiative (GRI) Index

AGCO has reported in reference with the GRI Standards for the period 1 January 2023 – 31 December 2023

## GRI DISCLOSURES

### ► GRI 3: Material topics (2021)

#### AGCO U.S. EEO-1 2022 EMPLOYMENT DATA

| Job categories                                | HISPANIC OR LATINO |            | NOT HISPANIC OR LATINO |                           |            |   |                                  |                   |            |                           |           |   |                                  |                   | OVERALL TOTAL |
|---|--------------------|------------|------------------------|---------------------------|------------|---|----------------------------------|-------------------|------------|---------------------------|-----------|---|----------------------------------|-------------------|---------------|
|   | MALE               | FEMALE     | MALE                   |                           |            |   |                                  |                   | FEMALE     |                           |           |   |                                  |                   |               |
|   |                    |            | White                  | Black or African American | Asian      | Native Hawaiian or Other Pacific Islander | American Indian or Alaska Native | Two or More Races | White      | Black or African American | Asian     | Native Hawaiian or Other Pacific Islander | American Indian or Alaska Native | Two or More Races |               |
| Executive/Senior Level Officials and Managers | 0                  | 0          | 22                     | 0                         | 2          | 0   | 0                                | 0                 | 2          | 2                         | 0         | 0   | 0                                | 0                 | 28            |
| First/Mid-Level Officials and Managers        | 25                 | 3          | 460                    | 7                         | 35         | 1   | 0                                | 0                 | 110        | 11                        | 15        | 0   | 0                                | 2                 | 669           |
| Professionals                                 | 33                 | 29         | 1,124                  | 58                        | 96         | 0   | 2                                | 11                | 315        | 51                        | 32        | 0   | 2                                | 6                 | 1,759         |
| Technicians                                   | 8                  | 2          | 192                    | 5                         | 2          | 0   | 0                                | 0                 | 42         | 1                         | 0         | 0   | 0                                | 0                 | 252           |
| Sales Workers                                 | 2                  | 1          | 275                    | 3                         | 1          | 0   | 0                                | 6                 | 44         | 0                         | 0         | 0   | 0                                | 0                 | 332           |
| Administrative Support Workers                | 8                  | 11         | 114                    | 5                         | 12         | 0   | 0                                | 1                 | 166        | 14                        | 14        | 1   | 0                                | 2                 | 348           |
| Craft Workers                                 | 90                 | 7          | 874                    | 19                        | 11         | 2   | 6                                | 13                | 53         | 1                         | 2         | 0   | 1                                | 2                 | 1,081         |
| Operatives                                    | 160                | 41         | 847                    | 64                        | 12         | 1   | 2                                | 10                | 241        | 3                         | 6         | 0   | 1                                | 2                 | 1,390         |
| Laborers and Helpers                          | 23                 | 15         | 38                     | 12                        | 0          | 0   | 1                                | 1                 | 19         | 1                         | 0         | 0   | 1                                | 0                 | 111           |
| Service Workers                               | 0                  | 0          | 4                      | 0                         | 0          | 0   | 0                                | 0                 | 1          | 0                         | 0         | 0   | 0                                | 0                 | 5             |
| <b>CURRENT 2022 REPORTING YEAR TOTAL</b>      | <b>349</b>         | <b>109</b> | <b>3,950</b>           | <b>173</b>                | <b>171</b> | <b>4</b>                                  | <b>11</b>                        | <b>42</b>         | <b>993</b> | <b>84</b>                 | <b>69</b> | <b>1</b>                                  | <b>5</b>                         | <b>14</b>         | <b>5,975</b>  |

Data as of October 31, 2022

17% of U.S. employees are ethnically diverse



# Sustainability Accounting Standards Board (SASB) Index

## Industrial Machinery & Goods

Our 2023 SASB Report is AGCO's fifth 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

## SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

### ENERGY MANAGEMENT

| CODE         | METRIC                          | UNIT OF MEASURE  | 2023 RESPONSES                          |
|--------------|---------------------------------|------------------|---|
| RT-IG-130a.1 | (1) Total energy consumed       | Gigajoules (GJ), | (1) Total energy consumed: 2,178,437 GJ |
|              | (2) Percentage grid electricity | Percentage (%)   | (2) Percentage grid electricity: 43%    |
|              | (3) Percentage renewable        |                  | (3) Percentage renewable energy: 39%    |

#### 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 company vehicles. Our reporting currently excludes AGCO-owned dealerships. In 2023, the total energy consumption of our full portfolio was 2,505,470 GJ.

### EMPLOYEE HEALTH & SAFETY

| CODE         | METRIC                                    | UNIT OF MEASURE | 2023 RESPONSES                                  |
|--------------|---|-----------------|---|
| RT-IG-320a.1 | (1) Total recordable incident rate (TRIR) | Rate            | (1) TCIR: 1.86                                  |
|              | (2) Fatality rate                         |                 | (2) AGCO fatality: 1*<br>Contractor fatality: 0 |
|              | (3) Near miss frequency rate (NMFR)       |                 | (3) Near miss frequency rate: not tracked       |

#### Disclosure

The TRIR data covers 100% of manufacturing sites, office locations, parts distribution, warehouses and assembly centers. Data is calculated per 200,000 hours worked.

\*An engineering operator was fatally injured due to an accidental startup while working on a tractor as part of the routine inspection. Since this incident, we have implemented extensive control measures in our testing/inspection operations to prevent such accidents in the future.





## FUEL ECONOMY &amp; EMISSIONS IN USE-PHASE

| CODE         | METRIC   | UNIT OF MEASURE             | 2023 RESPONSES   |
|--------------|--|-----------------------------|--|
| RT-IG-410a.1 | Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles   | Gallons per 1,000 ton-miles | Not applicable to AGCO   |
| RT-IG-410a.2 | Sales-weighted fuel efficiency for non-road equipment  | Gallons per hour            | 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. |
| RT-IG-410a.3 | Sales-weighted fuel efficiency for stationary generators   | Watts per gallon            |  |
| RT-IG-410a.4 | Sales-weighted emissions of:   | Grams per kilowatt-hour     |  |
|              | (1) nitrogen oxides (NOx) and<br>(2) particulate matter (PM) for:<br>(a) marine diesel engines,<br>(b) locomotive diesel engines,<br>(c) on-road medium- and heavy-duty engines, and<br>(d) other non-road diesel engines. |                             |  |

**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 emissions-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         | METRIC   | UNIT OF MEASURE | 2023 RESPONSES       |
|--------------|--|-----------------|----------------------|
| RT-IG-440a.1 | Description of the management of risks associated with the use of critical materials | n/a             | See disclosure below |

**Disclosure**

Global supply chains can be exposed to a seemingly endless number of risk factors. These risks can range from financial risks to anti-corruption violations to upstream and downstream mapping of a supplier's supply chain. 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. No matter what the risk, AGCO seeks to be able to quickly identify any risk occurrences and react appropriately. 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 1 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](#).

## REMANUFACTURING DESIGN &amp; SERVICES

| CODE         | METRIC   | 2020             | 2021             | 2022           | 2023                   |
|--------------|--|------------------|------------------|----------------|------------------------|
| RT-IG-440b.1 | Revenue from remanufactured product and remanufacturing services | 79.3 million USD | 93.4 million USD | 94 million USD | <b>104 million USD</b> |



# Task Force on Climate-Related Financial Disclosures (TCFD) Index

## 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 Task Force on 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 2023 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 2023 disclosure](#).





## 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 12 physical risks, 13 transition risks, and 10 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 ag. 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 ag. 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, for example due to the Carbon Border Adjustment Mechanism (CBAM) regulation in the EU, which is in its transitional phase between 2023–2026.

- 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 ag 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 GHG 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. To replace this target, in 2023 we have set a new Scope 1 and 2 target of reducing absolute Scope 1+2 GHG emissions by 55% by 2033 and by 90% by 2050 compared to a 2022 base year. By 2023, we have reached 72% renewable electricity and 39% renewable energy across our manufacturing footprint.

We are also increasing verticalization to improve our resilience and therefore decrease GHG 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 the 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.

**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 | + Risk of increased operational costs due to carbon pricing/taxes/cap or increased logistics/supply costs<br>+ Risk of increased regulation of water use and/or fertilizer use requiring farmers to modify water/fertilizer use or incur additional costs   |
|              | Technology       | + Risk of costs to adopt/deploy new technology and processes to reduce AGCO's GHG emissions<br>+ Opportunity to develop products that support the sequestration of carbon (trapping more carbon in soil)<br>+ 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          | + Risk of increased temperatures leading to reduced crop yields from heat stress to crops and increases in pests and diseases   |
|              | Acute            | + Risk of disruptions to critical suppliers/supply infrastructure due to climate-related extreme weather events<br>+ Risk that increased extreme weather (e.g., flood, fire and drought) reduces crop yields and quality<br>+ Increasing frequency and severity of climate hazards generating financial impacts on company assets (New 2022)  |

- 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 GHG 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 GHG intensity by 20% from a 2020 baseline across our manufacturing operations by achieving 31% emissions intensity reduction. We continue to work toward 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 Scope 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.

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 GHG 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 ag 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 ag 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 ag, 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 understanding of 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 GHG 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 a baseline for setting our current targets. Our GHG emissions 2020 baseline is as follows:

**Scope 1:** 50,269 tCO<sub>2</sub>e

**Scope 2:** Location-based: 91,287 tCO<sub>2</sub>e

**Scope 2:** Market-based: 50,259 tCO<sub>2</sub>e

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 2021 inventory and current year Scope 3 emissions 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 absolute Scope 1 and Scope 2 GHG emissions by 55% by 2033 and by 90% by 2050 compared to a 2022 base year (new target announced in 2023);
- 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; and
- 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 ag 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 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.