2023
SUSTAINABILITY REPORT

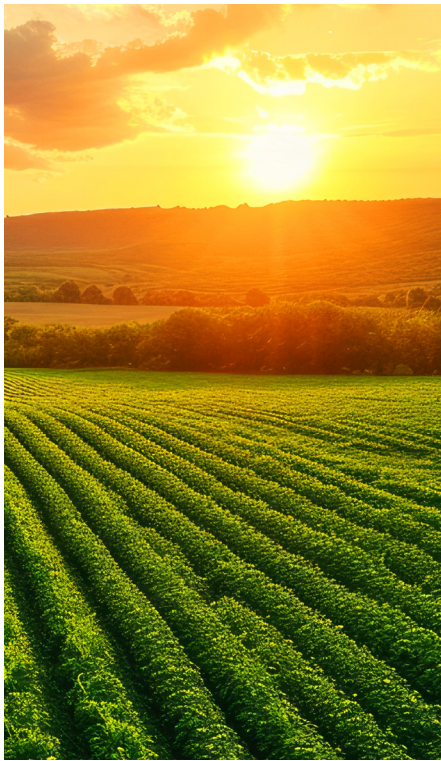# CONTENTS

ABOUT THIS REPORT

This report describes AGI's sustainability commitments, policies, key actions, and performance on material ESG topics for 2023 across our global operations. It also sets out goals and priorities for 2024 and beyond.

This report has been prepared in accordance with the Sustainability Accounting Standards Board (SASB) standards for the Industrial Machinery and Goods sector. It also includes our inaugural Task Force on Climate-Related Financial Disclosures (TCFD) Report, which has been prepared in alignment with the recommended disclosures of the TCFD. Both the SASB Index and TCFD report can be found as supplemental materials in the appendix. We report our greenhouse gas emissions data in alignment with the Greenhouse Gas (GHG) Protocol.

The terms "AGI", "we", "us" and "our" refer to Ag Growth International Inc., and where the context requires, also means our controlled entities on a consolidated basis.

Unless otherwise noted, all financial figures presented are in Canadian dollars. The data contained in this report has not been assured or verified by a third party.

This document contains certain forward-looking information – that is, information related to future, not past, events and circumstances. Please refer to the "Advisories" section in the appendix of this report for applicable disclosures. This document contains certain abbreviations and defined terms. Please refer to the "Glossary of Terms" section at the end of this document for applicable definitions.

Any questions about this report can be directed to sustainability@aggrowth.com.

LETTER TO OUR STAKEHOLDERS

Sustainability continues to be at the forefront of conversations with our stakeholders – employees, customers, shareholders, and the broader global community. At AGI, we see advancing our progress on environmental, social, and governance (ESG) topics as a key driver of our success. Our increased focus on sustainability over the last few years has only made us stronger as a company and enabled us to deliver on our strategic priorities: profitable organic growth, operational excellence, and balance sheet discipline.

The global food supply chain is faced with many key challenges – from feeding a growing population, avoiding food loss and waste, mitigating and adapting to extreme weather events, and the need to improve the environmental impact of food production. The need for resilient food systems, sustainable agriculture, and climate action was further emphasized at the United Nations Climate Change Conference (COP28) last year.

AGI is in a unique position to support these challenges and support the advancement of global commitments through our core strategy. Our purpose of eliminating food loss and hunger and mission statement - advancing storage, handling, and processing solutions that strengthen the global supply chain - reflect our commitment to supporting global food security outcomes. Proper food infrastructure to condition, store, and move grain from the farm to commercial collection points, and then around the world, is critical to global sustainability.

We are pleased to share our 2023 Sustainability Report which highlights our ongoing commitment to sustainability and the policies, actions, and performance across our four sustainability focus areas in 2023: People Well-being, Responsible Conduct, Sustainable Manufacturing, and Compelling Solutions. These focus areas have provided direction to our sustainability efforts and actions over the last few years. In 2023, we continued to progress in each of these areas and observed positive results.

Safety remains our top priority. It is a value at the core of who we are and how we operate. Our goal is that every employee at AGI returns home at the end of each day in the exact same condition in which they arrived at work. Our 2023 safety performance records highlight this focus – our total recordable incident rate and lost time injury rate continues to improve year over year, and we have seen a significant improvement in our proactive measures including reporting on near misses.

We are continuing to monitor the environmental impact of our manufacturing facilities around the globe, including energy use, water use, and greenhouse gas (GHG) emissions. We have set a target to reduce our Scope 1 and 2 GHG emissions intensity and developed a roadmap to reduce our GHG emissions from our manufacturing facilities around the globe. We have also identified key climate-related risks and opportunities most relevant to our business and disclose these and our

approach to managing each risk and opportunity later in this report. We made several investments in innovative manufacturing equipment and technology across our global facilities in 2023 such as new lasers and robotic welding. We anticipate that some of these investments, which are described further in this report, will support energy efficiency in our operations. In addition, we expect that the closure and consolidation of several manufacturing facilities will improve the GHG emissions intensity of our operations.

Last year, we conducted AGI's first employee engagement survey, which provided an opportunity for our employees to voice their perspectives on AGI's culture and level of engagement. The survey highlighted areas of strength and indicated where we can do better.

We are energized by the commitment and efforts of our global employee base to advance our sustainability goals as One AGI. We see a tremendous opportunity to continue to translate our commitments into tangible actions that have a lasting impact.

We look forward to even more success in 2024 and beyond.

Paul Householder
President & CEO

Janet Giesselman
Chair of the Board of Directors

AGI OVERVIEW

AGI is a corporation existing under the Canada Business Corporations Act and our common shares are traded on the Toronto Stock Exchange (AFN.TO). AGI is a leading provider of the equipment and solutions required to support the efficient storage, transport, and processing of food globally.

AGI employs ~5,000 employees worldwide and has 30 global manufacturing locations including in Canada, the United States, Brazil, India, France, and Italy, with related sales activities globally.

AGI provides solutions for global food infrastructure including seed, fertilizer, grain, feed, and food processing systems. Our products, equipment, and technologies serve to store, blend, mix, convey, condition, process, and protect agriculture inputs and crops that flow around the world.

PRINCIPLES

SAFETY
ENGAGED EMPLOYEES
A COMMITMENT TO PROFITABLE GROWTH
TRUST, RESPECT, CREDIBILITY, AND INTEGRITY
CUSTOMER SATISFACTION
ONE AGI

MISSION
To advance storage, handling and processing solutions that strengthen and secure the global food supply chain.

PURPOSE
Eliminate Food Loss and Hunger

FIGURES

Revenue for the 12-month period ending December 31, 2023:
~ C$1.5B

30 manufacturing facilities in **6** countries and sales representatives worldwide

Employees:
4,996 (as of December 31, 2023)

Where we operate

With manufacturing facilities in Canada, the United States, Brazil, India, France, and Italy, and supporting sales activity worldwide, AGI is in a unique position to play a lead role in protecting the food supply required by a growing global population.

The figures below represent the number of manufacturing facilities per region:

10
Canada

09
USA

01
Brazil

05
EMEA

05
India
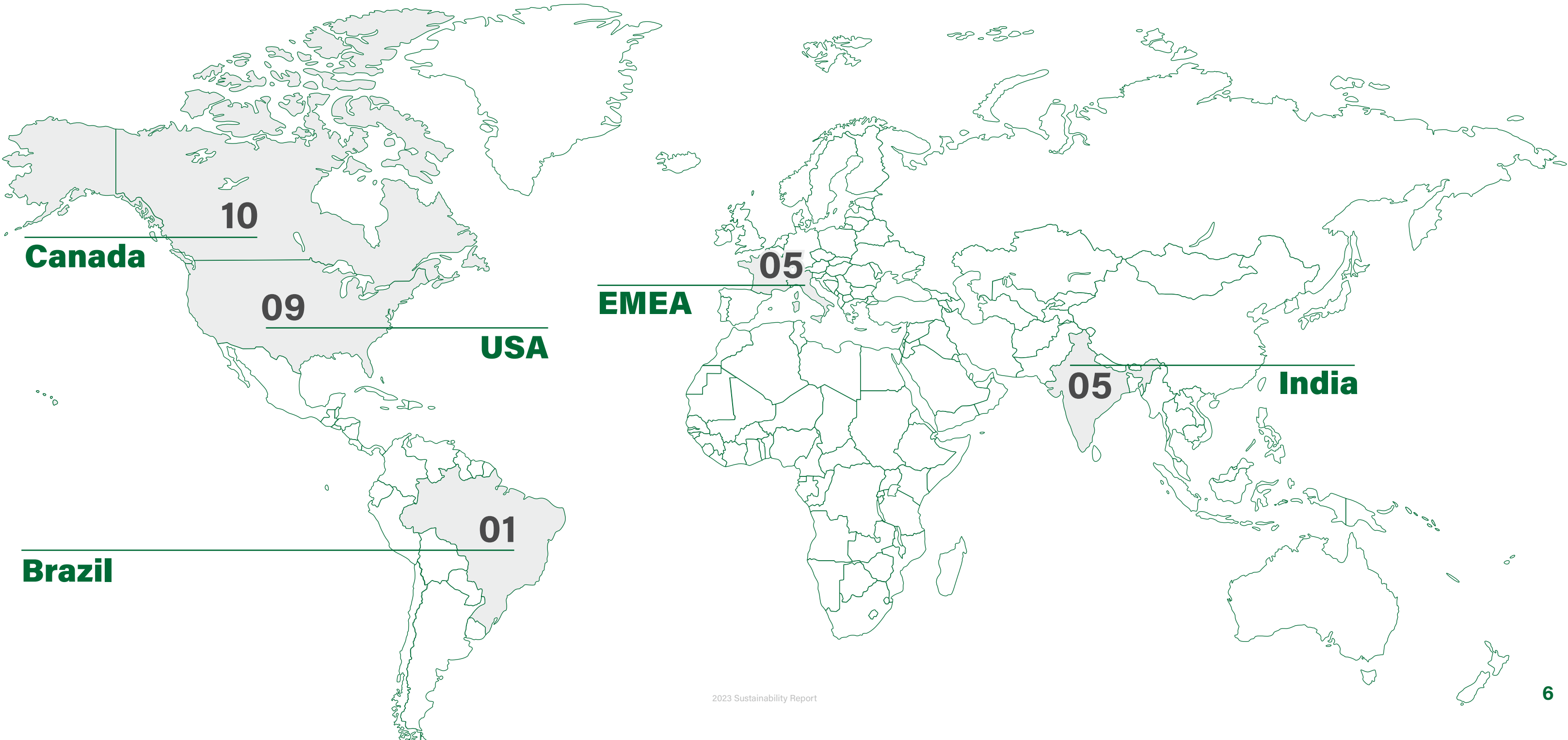
OUR CONTRIBUTION TO GLOBAL FOOD SECURITY

Newly installed AGI on-farm storage bins protect **~6.5MT**

of incremental grain from potential spoilage each year[1]

Enough to feed an additional **~30M** people per year[2]

AGI bins can last over **30 YEARS**

providing longevity to food security outcomes

Directly supports the United Nations Sustainable Development Goal #2 to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture.[3]

2 ZERO HUNGER

Note: Analysis accounts for farm segment only.

1. Management estimates based on 2022 sales data.
2. World Food Programme estimates that 1 metric ton of food is sufficient for approximately 1,660 people for one day.
3. Source: United Nations.

APPROACH TO SUSTAINABILITY

Our contribution to global food security

At AGI, we take great pride in our direct and long-standing contributions to global food security and our support for the United Nations Sustainable Development Goals and more specifically Goal #2: Zero Hunger, which aims to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

Our purpose - eliminate food loss and hunger - and our mission - advancing storage, handling, and processing solutions that strengthen and secure the global food supply chain - are a testament to this commitment. Through our dedication to providing reliable agricultural solutions, we are contributing to a sustainable future and supporting food security on a global scale. Food infrastructure is a critical component of ensuring crops stay protected from external effects of climate change and in optimal condition. AGI equipment and solutions contribute to ensuring sustainable food production systems and agricultural practices that increase productivity and production.

Our on-farm grain storage bins are one example of this direct contribution. We estimate that newly installed on-farm storage bins help protect approximately 6.5 million tonnes of incremental grain from potential spoilage each year. This is enough to feed an additional 30 million people per year. AGI bins can last for the long-term, underscoring the potential impact AGI products can have on global food security outcomes.

Our sustainability journey

Beyond our direct efforts to sustainability through our business model, our focus on advancing our corporate sustainability commitments has increased over the last several years. Our corporate sustainability strategy, developed in 2020, was informed through a materiality assessment that supported the identification of ESG topics relevant to our business and our stakeholders, and is centered around four key focus areas: People Well-being, Responsible Conduct, Sustainable Manufacturing, and Compelling Solutions. Identified material topics were ranked according to 'importance to external stakeholders' and 'impact on AGI's ability to grow'. Our Sustainability Roadmap, released in 2020, includes the results of this assessment (i.e., our materiality matrix) and describes our proposed actions against those topics. In 2023, we provided an update on our sustainability progress toward our defined objectives.

2020 | **2021** | **2022** | **2023**

Conducted a materiality assessment and developed our sustainability strategy

Released our Sustainability Roadmap

Published our 2021 Sustainability Accounting Standards Board (SASB) Index

Formalized and published several ESG policies

Released our Sustainability Progress Update

Our sustainability framework

Our materiality assessment, described further in our Sustainability Roadmap, identified the following focus areas and related material ESG topics for AGI.
These four focus areas allow us to meaningfully contribute to relevant United Nations Sustainable Development Goals (SDGs) where we can have the greatest impact.

PURPOSE	To eliminate food loss and hunger			
MISSION STATEMENT	To advance storage, handling, and processing solutions that strengthen and secure the global food supply chain			
FOCUS AREA	**PEOPLE WELL-BEING**	**SUSTAINABLE MANUFACTURING**	**RESPONSIBLE CONDUCT**	**COMPELLING SOLUTIONS**
GOAL	Improving the lives of employees, partners, and communities through a safe and inclusive culture	Minimizing the use of natural resources through continuous measurement and improvement at our global facilities	Enabling our people and partners with policies, processes, and trainings on governance best practices	Innovating to offer solutions for customers and end-users addressing quality, safety, and environmental needs
RELATED UN SDG(S)	3 GOOD HEALTH AND WELL-BEING / 10 REDUCED INEQUALITIES / 11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION	8 DECENT WORK AND ECONOMIC GROWTH / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	2 ZERO HUNGER / 3 GOOD HEALTH AND WELL-BEING / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
MATERIAL TOPICS	1. Worker Health & Safety 2. Community Engagement 3. Diversity & Inclusion	1. Energy Use & Management 2. Water Efficiency & Recycling 3. Scope 1 & 2 GHG Emissions	1. Governance, Organizational Effectiveness & Employee Skilling 2. Ethical Conduct 3. Legal Risk Management 4. Supply Chain Continuity 5. Responsible Supply Chain 6. Data Governance & Security	1. Product/Service Excellence 2. Technology & Innovation 3. Product User Safety

AGI Sustainability Framework

Our approach to managing these material ESG topics includes a focus on strategy, governance, risk management, and performance. Each of these material ESG topics are supported by detailed action plans. In addition, we look for opportunities to embed these focus areas and material topics into strategic decision-making.

ESG governance

Appropriate oversight and clearly defined roles and responsibilities for ESG topics is critical to the successful implementation of AGI's sustainability strategy.

Our Board of Directors and Leadership Team have oversight of our sustainability strategy including key sustainability-related risks and opportunities. Members of our Board have the required skills and experience in sustainability and climate-related matters to provide the appropriate level of oversight and strategic direction to the organization.

The Governance & Sustainability (G&S) Committee of the Board serves as the lead for sustainability and ESG oversight, including reviewing and approving sustainability-related policies and performance.

Other Board committees provide support on certain topics where they have specific skills, expertise, and experience that can help steward progress on those areas most effectively.

Our President & CEO has ultimate accountability for the overall ESG program including providing oversight of ESG risks and strategic direction on material topics. Sustainability-related updates are provided to our President & CEO, as well as our CFO, on a regular basis. While ESG performance is not directly linked to executive officer compensation at this time, the Board considers AGI's health and safety as part of executive performance.

Our Global Sustainability function is responsible for the development and implementation of AGI's sustainability strategy and plan, data collection, performance, reporting and communications across all global facilities. This function is driven by our Senior Manager of Global Sustainability and led by our Senior Vice President of Corporate Development, reporting up to our President & CEO and CFO.

Functional leaders (including Legal, HR, Supply Chain, Safety, IT Infrastructure and Security, Finance, Operational and Manufacturing Excellence) drive sustainability-related initiatives across the business.

We continue to embed sustainability across all levels of the organization. At the facility level, designated individuals (including Plant Managers, Operations Managers, Environmental, Health and Safety Coordinators, Controllers) are responsible for collecting and reporting on ESG data and, where applicable, setting facility-level targets and carrying out initiatives. Internal audit facilitates the company's enterprise risk management program and performs internal assurance reviews that integrate ESG. Other functions such as Marketing and IT support sustainability-related initiatives related to data collection, reporting, and communications.

> *"AGI's collective efforts across all levels of the organization over the past year have helped accelerate our sustainability commitments and performance."*
>
> *Deanna Mirlycourtois, Senior Manager, Global Sustainability*

2023 HIGHLIGHTS

People well-being

Conducted our first-ever employee engagement survey with an 89% employee engagement score

Saw a significant improvement in safety performance, with a reduction in our Lost Time Incident Rate by 27% and in our Total Recordable Incident Rate by 43%, compared to 2022, surpassing our targets for 2023

Sustainable manufacturing
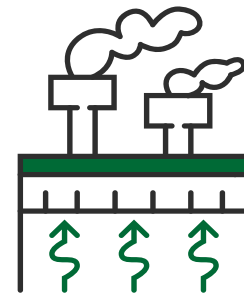
Established a target to reduce Scope 1 and 2 greenhouse gas (GHG) emissions intensity by 25% by 2030, relative to a 2021 baseline

Identified climate-related risks and opportunities most impactful to AGI and issued our first TCFD-aligned report (in the appendix)
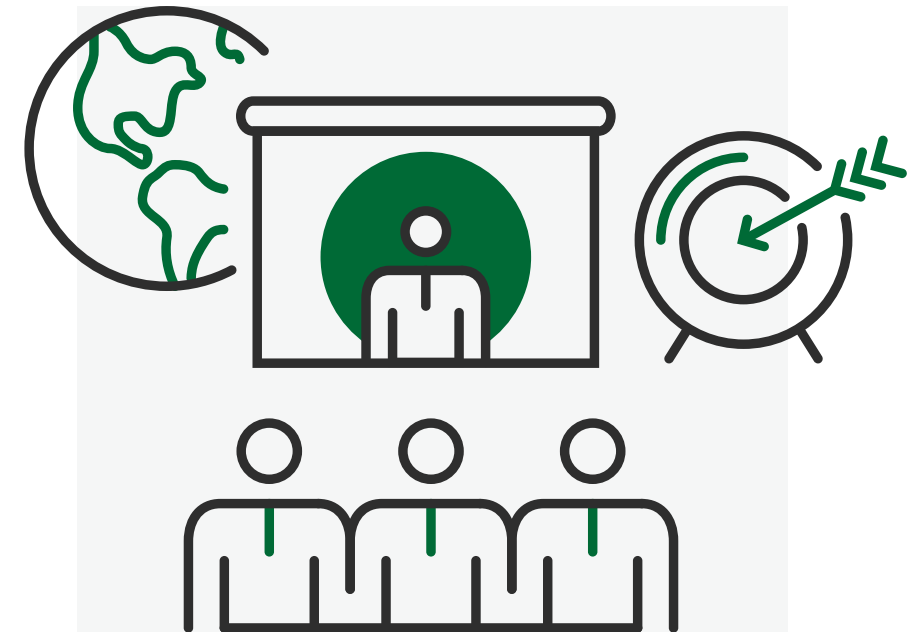
Responsible conduct

Updated our Supplier Ethics Policy to address human rights considerations and developed an approach to assess modern slavery risks in our supply chains (Read our 2023 Modern Slavery Statement here)
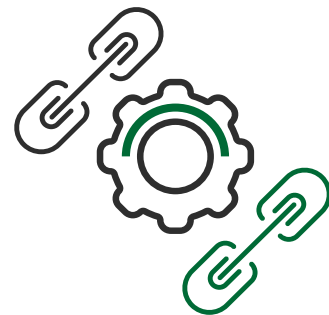
Integrated ESG considerations in supply chain tools and processes

Compelling solutions

Expanded our focus on delivering product user safety training sessions with our customers and employees

Expanded lean/Green Belt training across AGI, with six training sessions delivered to twelve facilities including eleven across North America and one in Brazil

In addition, our Global Sustainability function made other advancements to improve the transparency of our disclosures and to elevate our presence in external sustainability groups, including:

- Completed our first annual disclosure to the S&P Global Corporate Sustainability Assessment
- AGI is a member of US-based Association of Equipment Manufacturers (AEM) and participated in AEM's Sustainability Council by attending in person and virtual council meetings throughout the year

These achievements are highlighted in further detail in the next section of this report.

People Well-Being

Improving the lives of employees, partners, and communities through a safe and inclusive culture
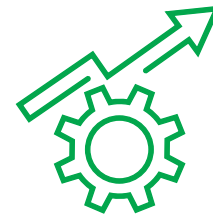
Sustainable Manufacturing

Minimizing the use of natural resources through continuous measurement and improvement at our global facilities
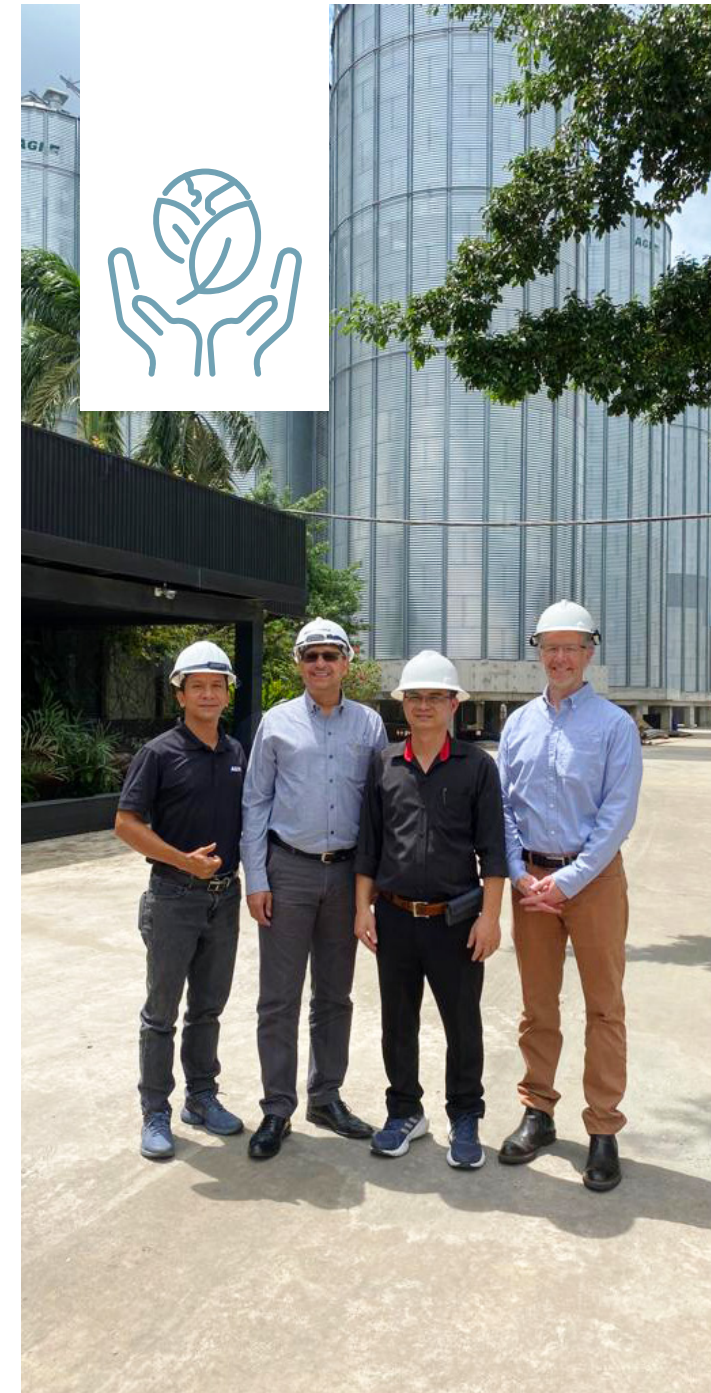
Responsible Conduct

Enabling our people and partners with policies, processes, and trainings on governance best practices
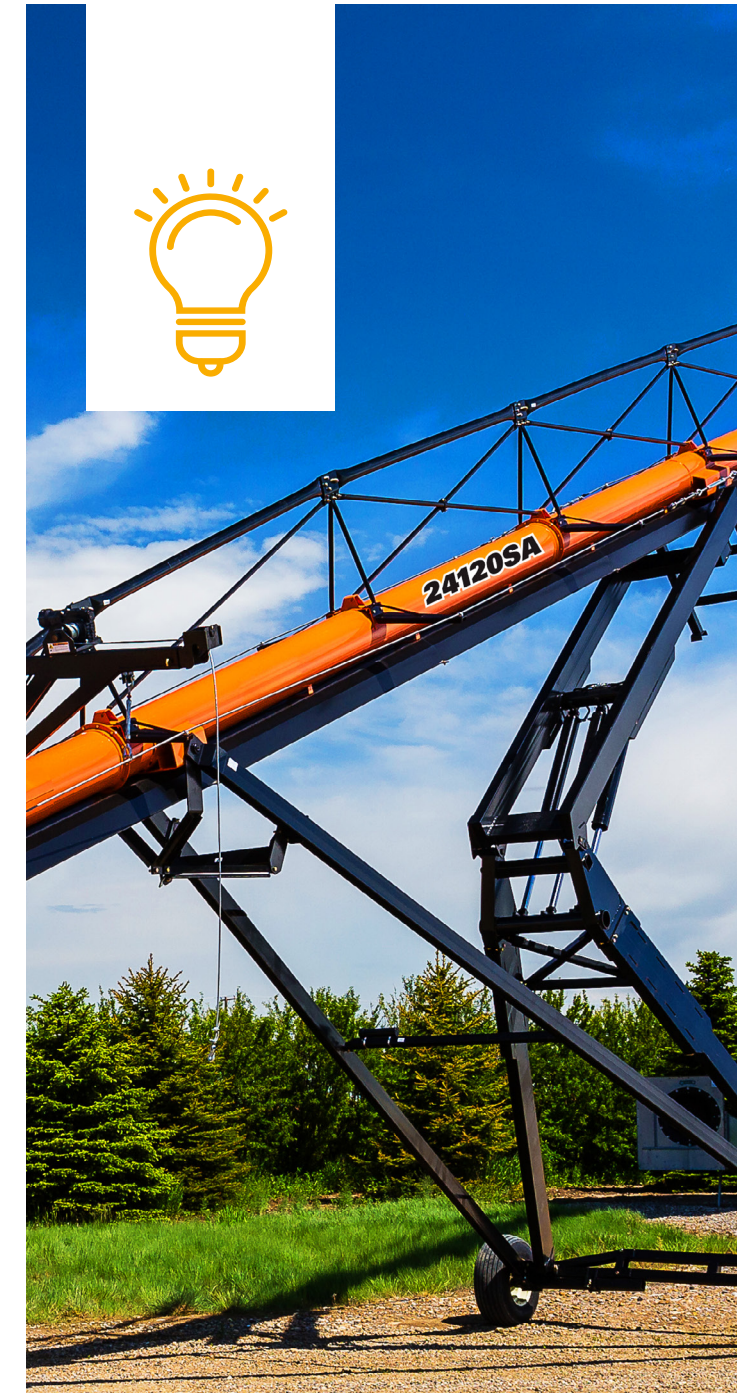
Compelling Solutions

Innovating to offer solutions for customers and end-users addressing quality, safety, and environmental needs

PEOPLE WELL-BEING

We prioritize the following People Well-Being topics:

1. Worker Health & Safety
2. Diversity & Inclusion
3. Community Engagement

Improving the lives of employees, partners, and communities through a safe and inclusive culture

At AGI, one of our top priorities is finding ways to improve the lives of our employees, partners, and the communities we engage with.

Safety comes first at AGI; we prioritize the health and safety of our employees and want them to return home in the same condition they arrived at work. We are committed to building a culture that enables everyone to belong and we strive to meaningfully contribute to causes aligned with our purpose in the global communities in which we operate.

WORKER HEALTH & SAFETY

Goal and targets

To foster a workplace that is free of injuries, serious incidents, and chronic illnesses.

At AGI, we want every employee to return home at the end of each day in the exact same condition in which they arrived at work. We are committed to creating a work environment and driving behaviours that ensure the safety of every individual employed at or visiting one of our locations.

The following safety targets were established for 2023:

• Reduce Total Recordable Incident Rate (TRIR) by 20% in 2023 compared to 2021

• Reduce Lost Time Incident (LTI) Rate by 15% in 2023 compared to 2021

We also establish facility-level targets for the following performance metrics: the number of recordable incidents, the number of near miss reports and the number of hazard fixes.

Our approach

We continue to strive to be an industry leader in occupational safety and health. Safety is a foundational principle and belief that unites our manufacturing facilities, office locations, and job sites across the world. We are committed to a culture of constant awareness and proactive safety measures.

The highest responsibility for worker health and safety at AGI sits with the Leadership Team and Board. The Governance & Sustainability Committee of the Board reviews and monitors health and safety systems including, but not limited to, health and safety policies, procedures, audit procedures, risks, and performance.

Our Health and Safety Policy, which sets out our commitment to providing safe and healthy working conditions and to preventing injury and ill-health is endorsed by our President & CEO and applies to AGI workers, contractors, customers, suppliers, and visitors. As an indicator of the importance of safety at AGI, health and safety performance is considered as part of executive performance.

Our Vice-President of Manufacturing holds responsibility for our corporate safety function and implementing our AGI Safety Management System (ASMS) across all AGI facilities worldwide. This involves leading the development of safety procedures, maintaining compliance with laws, monitoring safety performance, and implementing training, continuous improvement, and best practices.

At the facility level, Plant Managers are engaged in setting targets related to the number of recordable injuries, near miss reports, and number of hazard fixes, with the latter two metrics tied to their short-term compensation. Health and Safety Coordinators at each location are engaged in delivering the ASMS including identifying hazards, implementing best practices, and reporting incidents. Weekly meetings are held between the corporate safety function and health and safety representatives for each facility. Frontline employees are actively engaged in daily safety reporting and actions.

Outside of designated safety roles, responsibility for safety resides with every individual across AGI. Safety continues to be the first agenda topic at all internal Town Halls, Board updates and Leadership Team meetings. At the facility level, daily safety standup meetings are held to share learnings and best practices, and continuously improve our safety performance.

The ASMS is a comprehensive system that supports the management of safety risks and proactively monitors and guides safety performance across AGI manufacturing locations globally. The ASMS is comprised of AGI's Health and Safety Policy, safety standards and operating procedures for AGI employees and contractors, health and safety training, hazard identification, incident investigation, and reporting that support decision-making. The ASMS promotes continuous improvement over and above local, state, provincial, and federal rules and regulations. Safety performance is measured by both lagging and leading indicators and is tracked through our global AGI Safety Reporting Application. This application provides complete visibility into safety-related incidents across AGI locations and allows for the ongoing monitoring, analysis of trends (e.g., by incident type, location, body part) and documentation of learnings. The application has helped strengthen our approach to safety and identify areas to prioritize, further embedding safety into the fabric of our culture at AGI.

"We are a safety-first company and work hard to ensure that everyone returns home safely just the way they came in that day. 'Zero incidents' is not an aspiration, it is an expectation of ourselves that we strive towards every day. Our associates live this commitment everyday from our board rooms to our boiler rooms."

Harsha Bhojraj, Vice-President Global Manufacturing and Global Safety Leader

Our actions in 2023

Safety performance

In 2023, we continued to strengthen our safety-first culture and observed significant achievements in our safety performance and against targets established for Total Recordable Incident Rate and Lost Time Incident Rate. Across all global sites, we saw a reduction in our Total Recordable Incident Rate by 43% and in our Lost Time Incident Rate by 27%, compared to 2022, surpassing our targets for 2023. AGI experienced no fatalities in 2023.

Total Recordable Incident Rate

Year	Rate
2020	7.75
2021	6.35
2022	4.35
2023	2.48

Lost Time Incident Rate

Year	Rate
2020	1.65
2021	1.08
2022	0.69
2023	0.50
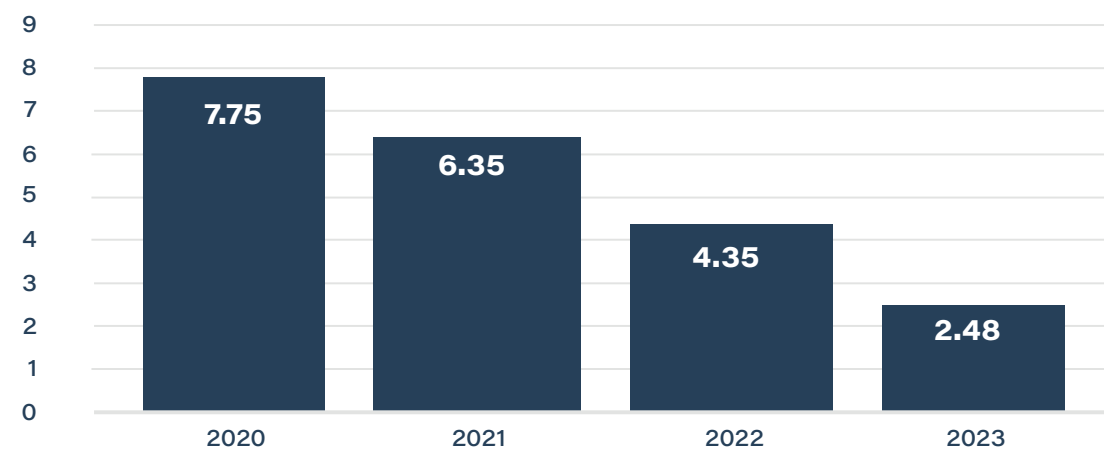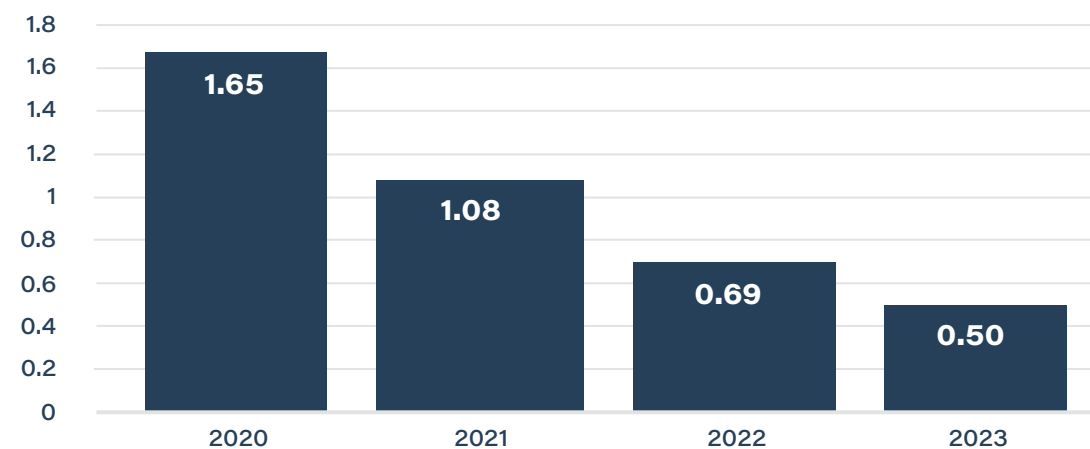
Total Recordable Incident Rate is calculated in line with OSHA standards using the formula: (Number of OSHA recordable incidents in the reporting period) x 200,000 / (total number of hours worked in the reporting period); this metric references the number of recordable incidents per 100 full-time employees annually.

Lost Time Incident Rate is calculated in line with U.S. Occupational Safety and Health Administration (OSHA) standards using the formula: ([number of lost time injuries in the reporting period] x 200,000)/(total hours worked in the reporting period); this metric references the number of lost time injuries per 100 employees per year, assuming a 40-hour work week and 50 weeks worked.

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In addition to lagging safety indicators, we increased our focus on behaviour-based safety and saw strong momentum on our leading safety indicators, including tracking Global Total Near Miss Reports, Number of Hazards Reported and Number of Hazard Fixes. We monitor these indicators daily and continue to implement and emphasize the importance of prioritizing near misses, identifying hazards, and fixing any unsafe conditions or acts as they are identified. We prioritized the establishment of near miss reporting programs at facilities without an established program in place including Chauche, France, Georgetown, Prince Edward Island, Newton, Ontario and Woodstock, Ontario locations. We have successfully improved hazard, near miss, and property damage reporting in 2023 by 559% year-over-year indicating that our employees are fully supporting our safety-first culture and feel comfortable reporting and fixing safety issues.

Last year, we also launched AGI's Safety Standout Recognition Program to recognize exceptional safety performance at the facility and individual level. There are four Safety Standout Award categories including Outstanding Performance, Overall Safety Performance, Progress in Safety, and Safety at a Customer Site or Project.

Our Brazil and India locations received safety awards for improvements in their overall safety performance, measured by a reduction in lagging indicators including Lost Time Incident Rate and Total Recordable Incident Rate. The Total Recordable Incident Rate at AGI India improved by 65% in 2023. Our Brazil facility continues to model a safety-first culture, has seen a significant improvement in reporting near misses, hazard identification and fixes, and has been exemplary in sharing learnings with other AGI plants.

Our Swift Current, Saskatchewan and Sioux Falls, South Dakota locations received safety awards for overall progress in safety, awarded to facilities that have improved their overall safety performance in the last 12 months (ended December 31, 2023), measured as improvements in leading safety performance.

We acknowledge the importance of promoting safety inside and outside of our facilities, and last year introduced a new award category for safety at a customer site, which recognizes a project where safety was well executed, or where a safety plan was effectively developed and communicated. This was awarded to a member of our Brazil team, which performs construction and large-scale installations, for modeling a safety culture at every project site.

In addition to Safety Awards, we celebrated safety milestones across individual sites, with 11 manufacturing facilities celebrating no Lost Time Incidents in over a year. Notably, our Olds, Alberta location celebrated ten years since a Lost Time Incident, and our Joplin and Nobleford sites celebrated three years without a Lost Time Incident.

AGI Olds celebrated 10 years since a Lost Time Incident.

AGI Joplin celebrated 3 years since a Lost Time Incident.

Training and awareness

We rolled out mandatory web-based safety training for employees across AGI locations globally. Training topics are aligned with AGI's safe operating procedures and include: Behavioural Safety, Hazard Identification and Risk Assessment, Machine Guarding, Department of Transportation (DOT) Training for Drivers, and Preventing Slips, Trips, and Falls. Employee training hours are tracked at the facility level. In North America, we have a dedicated training vendor for safety and other compliance-related topics. In 2023, employees in North America completed an aggregate of approximately 9,500 hours of training (on average 3 hours and 15 minutes each) on safety and other compliance-related topics.

We hosted our annual Safety Week with a focus on Hand Safety, which included a global training video, sharing of best practices, and awareness-building activities across all AGI locations. These activities were supported by the identification of tooling and equipment and the development of work procedures that address hand safety. Additionally, we educated facility-level health and safety leaders on the different types of safety hazards to look for and fix, including temporary (or moment-in-time), systemic, and perpetual hazards.

Other safety programs and initiatives

To advance AGI's Fleet and DOT Management Safety Program, last year we hired a new position responsible for implementing AGI's fleet management program and developed a Fleet Safety Manual.

We also instituted bi-weekly Environmental Health and Safety leads and Plant Manager meetings to share best practices, hazard photos, peer-to-peer learning, and safety metric reports.

At the facility level, we prioritize safety initiatives and investments to improve working conditions. We are continuously updating standard operating procedures, personal protective equipment (PPE) requirements, guarding, ergonomic initiatives, and safety best practice sharing.

Next steps

In 2024, we will continue to drive hazard and near miss reporting and develop safety targets for all plants. We believe identifying and fixing such hazards, whether they are due to unsafe conditions or unsafe acts, will help us countermeasure, educate, and improve, thus minimizing the chances of an actual injury to any of our employees. In addition, we are placing a large emphasis on any near misses that could have resulted in severe injuries. We believe these are especially important to identify amongst the other reported near misses due to their potential high severity nature.
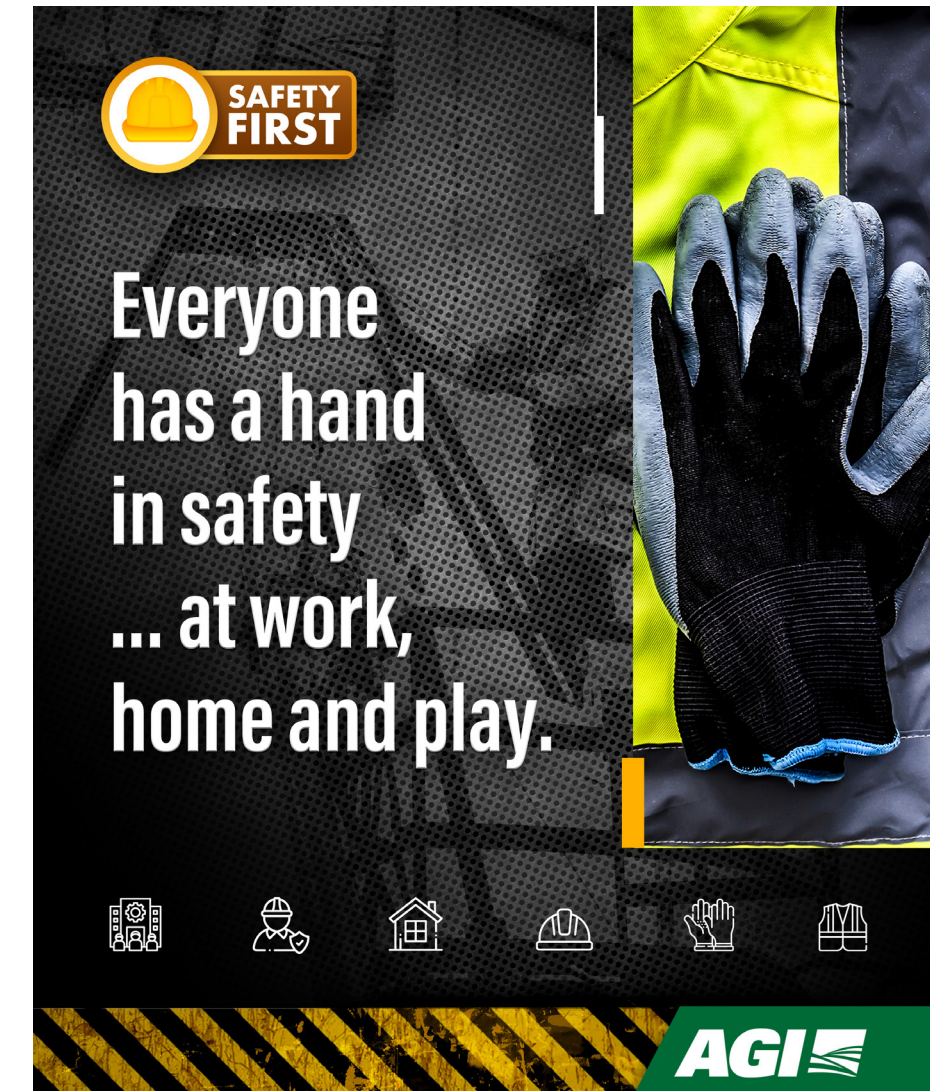
DIVERSITY & INCLUSION

Goal and targets

To build a diverse and inclusive workforce reflecting our customer base and local talent pools.

Targets:

• Per AGI's Board Diversity Policy, AGI aspires to maintain a Board composition in which at least 25% of the directors are women

• 100% of employees trained on the subject of unconscious bias

Our approach

At AGI, we see diversity and inclusion as an enabler to our success. AGI has a Board Diversity Policy which sets out our commitment to maintaining a Board composition in which at least 25% of Directors are women. The G&S Committee considers the representation of women on the Board when identifying and nominating candidates for election or re-election to the Board.

To help advance AGI's Diversity and Inclusion (D&I) efforts, a D&I working group was formed to help drive the strategy and implementation of initiatives. The working group established the following D&I statement to provide direction to these efforts across the organization:

"Together, we continue to build a culture that enables everyone to belong. We value diversity as a key driver for successful collaboration and innovation."

We aim to provide training for our workforce on the importance of building a diverse and inclusive culture such as recognizing unconscious bias and to provide the tools for employees to reduce the impact of bias on decision-making.

At AGI, we are committed to a workplace environment where employees are treated with dignity, fairness, and respect, that provides equal employment opportunities, and is free of discriminatory practices and harassment including on the basis of gender, race, national or ethnic origin, religion, age, sexual orientation, disability status, or any other dimension of diversity.

To continue strengthening our diversity efforts, we have made a few modifications to our hiring and compensation programs. We have enhanced our recruitment outreach and hiring processes to ensure we are drawing from the widest possible pools of talent. We review our rewards programs annually to ensure we better serve a diverse employee population, including the introduction of flexible benefit programs, harmonized paid time off, and expanded leave policies and we allow employees to participate in the programs that best support their needs. Our compensation program focuses on job-related content and competencies with frequent review of external data to ensure alignment with the market, while maintaining internal equity and consistency. These enhanced programs and processes will help set up AGI to recruit and retain the best possible talent at all levels of the organization.

Our actions in 2023

Board and leadership diversity

AGI believes that having diversity at the Board and senior leadership level, including gender diversity, enhances AGI's success and management effectiveness. As at May 10, 2023 (AGI's 2023 Annual General Meeting), three of ten (30%) Directors were female, surpassing our target for gender diversity on our Board. We also appointed AGI's first female Board Chair, Janet Giesselman. Diversity is among many factors AGI considers when evaluating the appointment of AGI's Executive Officers. At the Executive Officer level, three of AGI's Executive Officers (30%) are women.

Board Gender Diversity (%)

- Male
- Female
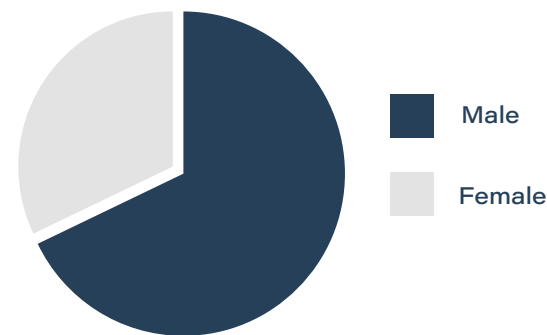
Executive Leadership Gender Diversity (%)

- Male
- Female
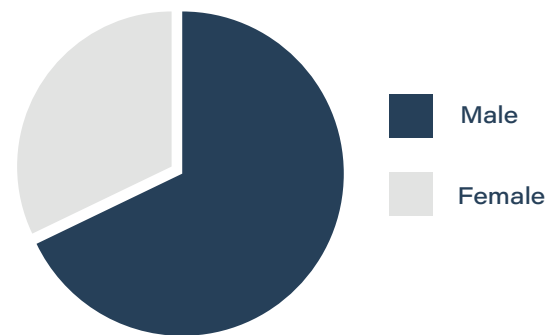
D&I training

In 2023, we expanded our training efforts on D&I topics. We provided mandatory training on AGI's Harassment and Violence Prevention Policy including covering mechanisms to anonymously report any incidents, across our North America facilities. The training was embedded into a video that is shared with new employees. We also delivered training on unconscious bias to AGI directors and director-equivalents. This included a comprehensive e-learning course, followed by a session facilitated by a third party, and was completed by 75 director-level employees.

Employee engagement survey

Last year, we launched an inaugural employee engagement survey for employees to share their feedback on AGI's culture and the level of engagement at AGI. The survey addressed diversity, equity, and inclusion (DE&I), among other topics. Key areas covered by the survey included employees' perspectives on leadership's commitment to DE&I, the importance of AGI having a culture that supports DE&I, whether communications from leadership are inclusive, and whether employees feel comfortable being themselves on their teams.

Celebrating cultural diversity

At AGI, we emphasize the value of cross-cultural exchanges and experiences, and we celebrate the cultural diversity of our employees. This includes recognizing and celebrating national holidays and offering our employees opportunities for cross-cultural learning. For example, AGI India's 25th anniversary celebration, attended by AGI's Leadership Team, featured traditional dances and performances. We continue to identify other opportunities to recognize and celebrate cultural events around the globe.

Next steps

In 2024, we will continue to offer D&I training to the organization, starting with rolling out unconscious bias training to all AGI employees globally with a goal of having 100% of our employees trained on the subject. We also intend to roll out training on AGI's Harassment and Violence Prevention Policy outside North America, translating the policy to additional languages as required for our global locations. We plan to measure the effectiveness of the training through future employee surveys and by implementing appropriate follow-up mechanisms. By improving our human resources information system (HRIS), we are standardizing ways to collect demographic information from our workforce. Finally, as part of the ongoing job evaluation process, we will be conducting a pay equity analysis, starting with North America.

COMMUNITY ENGAGEMENT

Goal

To enrich the communities where we operate.

Our approach

AGI's community engagement efforts range from corporate sponsorships and employee volunteerism and giving, to various donations, charity drives, and fundraising activities. Our community engagement activities span a range of thematic areas and in 2023, were generally concentrated on the following areas aligned with AGI's purpose, mission, and sustainability focus areas.

- Food security
- Social development
- Sustainable agriculture

Other priorities are identified at the local level based on community needs.

Our actions in 2023

In 2023, we developed internal processes to collect data on our community involvement activities and impact. AGI teams across our global facilities supported a range of local causes.

A few key stories of impact are highlighted below:

Increasing food security in North America and Brazil by supporting food collection drives

AGI teams across North America supported local food banks by collecting non-perishable food items and by providing monetary donations. The below are some examples of food collection drives that took place across AGI facilities:

- **Lenexa, Kansas:** Collected most needed food items for Harvesters, a local food bank.
- **Olds, Alberta:** Provided monthly donations of healthy food to internal food bank programs at three local churches. They also provided an annual donation to the 41st Henry Sonnenberg Community Christmas Dinner, an organization that provides a holiday dinner to seniors, individuals experiencing homelessness, and those who cannot afford the cost of a meal at home.
- **Vaughan, Ontario**: Collected canned goods and donations for the Vaughan Food Bank.
- **Clay Center, Kansas:** Collected food donations for the local food pantry, The Lighthouse.
- **Naperville, Illinois:** Held a food drive for a local food bank, Loaves and Fishes. To increase employee engagement, the cans were collected and organized in the form of an AGI grain storage silo.
- **AGI Corporate Office, Toronto, Ontario:** Held a food drive with proceeds to the Daily Bread Food Bank. Approximately 25 employees donated canned and other foods.
- **Brazil:** Provides monthly food donations to the Soup Institution in Assis, Brazil.

AGI also supported the advancement of food security in Canada by sponsoring and participating in Maple Leaf Food's Feed Opportunity Classic, a charity golf tournament that supports The Maple Leaf Centre for Food Security and its focus on reducing food insecurity across Canada.

AGI Naperville food drive

Maple Leaf Food's Feed Opportunity Classic charity golf tournament

Supporting broader community and social development outcomes globally

AGI facilities took part in a range of other activities that supported broader community and social outcomes including efforts focused on increasing education and training, supporting youth and social development, and improving health and nutrition.

- Our Grand Island, Nebraska location supports several local organizations and initiatives, including the Heartland United Way's Annual Campaign, the GRACE Cancer Foundation, and various community development organizations including the Hall County Agricultural Committee, which focuses on "educating youth on the importance of agriculture through agricultural awareness and educational events."

- AGI supported Curling Canada by sponsoring the 2023 Brier, a top men's curling championship, to recognize and celebrate the important role curling plays in bringing people together in communities across the country.

- Employees at our Lenexa and Clay Center facilities in Kansas and our Oak Bluff, Manitoba facility participated in blood drives in support of the American and Canadian Red Cross Societies.

- AGI India supported the local Lions Club in a range of local community development projects including upgrading and renovating the Lions Club old age home in Devarachikkanahalli through the construction of a chimney and supporting the construction of a shelter and computer centre renovation for the Madhuranagara School.

Additional details on our annual community engagement efforts can be found on our website here.

Supporting environmental awareness in India by planting over 800 trees in honour of World Environment Day

Each year, our facilities in India celebrate the United Nations World Environment Day on June 5th. Employees participate in a collective action aimed at increasing employees' environmental awareness and protecting the environment. In 2023, AGI distributed over 800 saplings to employees to plant. In addition, the AGI India team planted 100 saplings at the Attibele public park in collaboration with the Attibele Town Municipal Council. Approximately 500 employees across all units participated in the initiative.

Next steps

To maximize our impact globally, we are developing an approach to concentrate our community engagement efforts on activities most aligned with AGI's purpose and mission.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

SUSTAINABLE MANUFACTURING

Minimizing the use of natural resources through continuous measurement and improvement at our global facilities.

Our Environmental Policy sets out AGI's approach to environmental management including energy and water management. Environmental Health and Safety coordinators at each location assist with the implementation of the policy at the manufacturing site level. AGI's current focus is on measuring our resource consumption patterns, for both energy and water, at our facilities worldwide. This has enabled us to establish a baseline, develop targets, and identify initiatives to reduce our environmental footprint. In 2023, AGI was not subject to any penalties related to non-compliance with environmental laws and regulations.

We prioritize the following sustainable manufacturing topics:

1. Energy Use & Management
2. Scope 1 & 2 GHG Emissions
3. Water Efficiency & Recycling

ENERGY USE & MANAGEMENT

Goal and target

To measure and improve energy intensity of our operations and evaluate the feasibility of alternative energy.

• Energy intensity targets established at individual facilities

Our approach

AGI is committed to measuring and managing our energy consumption across our manufacturing and warehouse locations globally. We strive to continually improve our energy consumption.

Primary sources of energy consumed are natural gas for building heat (a requirement for our North American sites that experience colder climates in winter months), electricity to power equipment used in our manufacturing processes and used for lighting, and other fuels (gasoline, propane, diesel) used in various stages of the production process and in the transport of materials. Manufacturing processes that consume energy include metal fabrication, cutting, bending, roll forming, rolling, welding, punching, painting and high-tech processes like laser, punch, and robotics. AGI's energy consumption is influenced by internal and external factors such as organizational layout, equipment and processes, behaviours, climate and weather patterns, and the pace of technological progress.

Energy consumption is tracked at the facility level and reported monthly through AGI's internal ESG Data Collection Application. Reported data is reviewed and approved by a designated authority at each location, and then reviewed by the Global Sustainability function. Facility managers play a role in identifying energy-efficiency initiatives for their locations through capital budgeting processes.

Waste Management

Primary waste streams generated in AGI's manufacturing facilities include metal scrap (steel) and waste generated from the powder coating paint curing process. Wastewater is also produced in some powder coating processes. Other waste streams include paper and packaging, glass, and plastics.

Waste is managed at the facility level. AGI facilities have recycling programs in place and work with third-party service providers to collect, recycle, and dispose of waste, ensuring compliance with local, state, and federal regulations. For example, AGI's scrap steel is sold to local scrap dealers, and on occasion provided to local community colleges for welding practice. We are developing an approach to track and manage scrap, including steel scrap, across our global facilities. Wastewater that is produced in some of AGI's powder coat processes is recycled in the city/municipality sewage systems.

Our actions in 2023

Last year, AGI's energy management efforts included several manufacturing-related innovations and facility-level energy-efficiency investments including the use of solar power in Italy. In addition, we continued to analyze trends in energy consumption and build awareness on energy management best practices across various levels of the organization. We also started to identify and evaluate opportunities to reduce energy consumption from our operations and this effort will continue into 2024.

Innovations in manufacturing

We made several investments in innovative manufacturing equipment and technology across our global facilities in 2023. This includes investments in new lasers/laser cutters, upgraded bandsaws and press brakes, and advanced automation equipment across select global facilities, among others. Some of these types of equipment use less power or generate less material waste than other types of equipment, supporting the energy efficiency of our operations. For example, press brakes generate less material waste than other metal fabrication techniques. We anticipate seeing improvements in AGI's energy use for these processes and ultimately, on AGI's greenhouse gas emissions. Going forward, we intend to track the impact of these initiatives on AGI's energy consumption.

Facility-level energy-efficiency investments

In 2023, AGI facilities continued to make progress on implementing energy-efficiency initiatives, including in more energy-efficient equipment and technology such as LED lighting across North America and the use of solar power in Italy. The following are a few examples of these initiatives.

United States

- Our Clay Center facility made investments in a new 100 HP air compressor. It is anticipated that this new air compressor will reduce energy consumption and costs.

- Our Albion facility started replacing metal halide bulbs with LED lighting across the facility. This replacement will continue into 2024.

- Our Omaha facility completed a major renovation of its electrical room with all new components and equipment. It is anticipated that the facility will observe a decrease in energy consumption as a result of this. The facility also continues to replace their lighting with LEDs. This is an ongoing effort that will continue into 2024.

Canada

- Our Corman Park facility in Saskatchewan made investments in new air make-up units for their roof, replaced yard lighting with LEDs, and made upgrades to their paint line process to further exceed provincial environmental compliance requirements.

- Our Rosenort facility in Manitoba made investments in a new air compressor, which is expected to reduce energy consumption compared to the previous one.

Global

- Our facilities in Italy are harnessing the power of solar energy. Learnings from this investment will help identify opportunities for AGI as we explore the potential use of renewable energy such as solar in other regions.

Energy use

In 2023, we observed a 12% increase in total energy consumption (gigajoules or GJ) compared to 2022. At the same time, energy intensity (energy consumed per $1,000 in revenue by year) in 2023 remained relatively consistent with energy intensity in 2022 and represents an 8% improvement from 2021 energy intensity values.

Consistent with prior years, primary energy sources in 2023 were natural gas and electricity. These primary energy sources are used for building heat, lighting, and to power equipment used in AGI's production equipment and manufacturing processes including metal fabrication, cutting, bending, roll forming, rolling, welding, punching, painting and other high-tech processes such as laser, punch, and robotics.

Total energy consumption in 2023: 475,220 GJ

2023 Energy Use by Source (GJ)

- Natural Gas: 238,637 GJ
- Liquefied Petroleum Gas: 31,552 GJ
- Electricity: 133,014 GJ
- Gasoline: 15,223 GJ
- Diesel: 32,706 GJ
- Propane: 11,962 GJ
- Other Fuels: 12,126
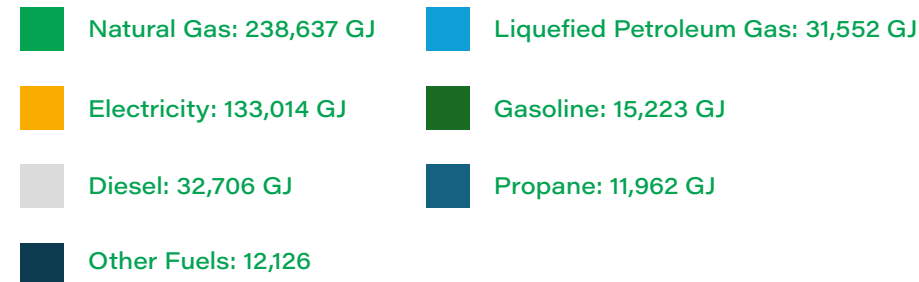
Annual Energy Intensity (Energy Consumed (GJ) per $1,000 in Revenue by Year)

Energy Intensity (Energy Consumed (GJ) per $1,000 in Revenue)

- 2021: 0.3545
- 2022: 0.3223
- 2023: 0.3266

Annual Energy Consumption (GJ)

Energy Consumption (GJ)

- 2021: 399,975
- 2022: 425,585
- 2023: 475,220
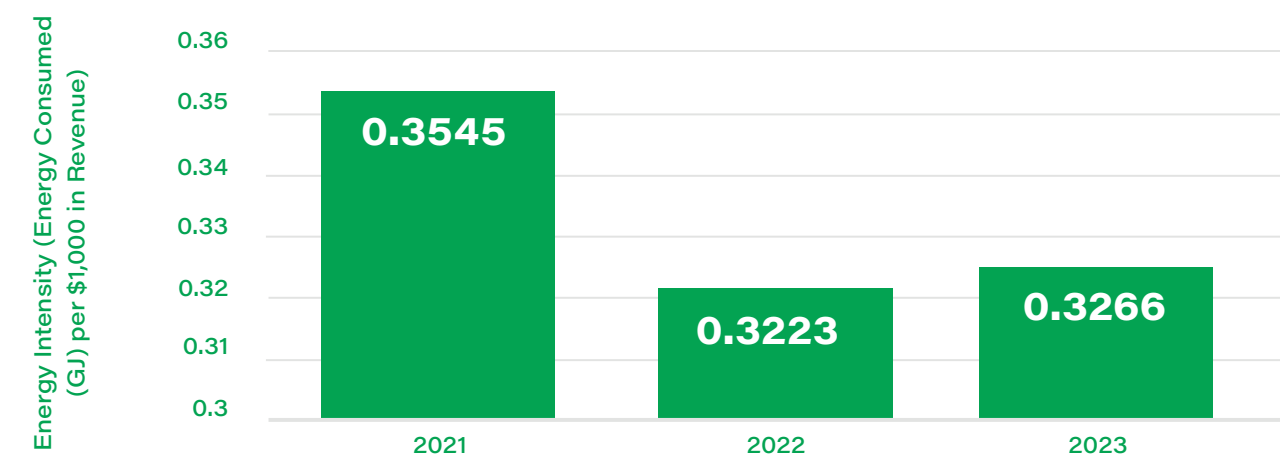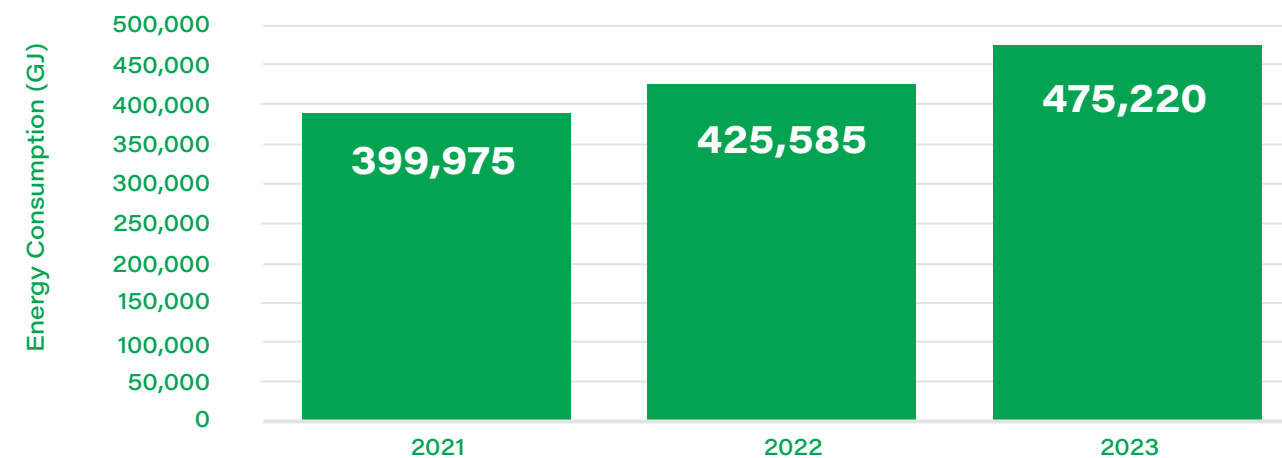
Internal and external factors influenced AGI's total energy consumption. While increased production levels and revenue increased AGI's overall energy consumption, the closure and consolidation of facilities in North America over the last couple of years reduced energy intensity, compared to 2021 values.

Next steps

In 2024, we will continue to identify and evaluate opportunities to reduce our energy consumption at each of our facilities. We will work with Plant Managers to build awareness and to formally incorporate energy-related investments commencing with capital budgets for 2025.

SCOPE 1 & 2 GHG EMISSIONS

Goal and target

To manage greenhouse gas (GHG) emissions from our operations.

The following target has been established:

• To reduce Scope 1 and 2 GHG emissions (tCO$_2$e) as a percentage of revenue by 25% by 2030, compared to a 2021 baseline year

Our approach

Our current focus is on measuring and managing direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions from our global operations including AGI's manufacturing and warehouse locations.

We calculate and report on our greenhouse gas emissions in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. We use an operational control approach for our organizational boundaries by accounting for 100% of GHG emissions from operations over which we have operational control. We use a location-based approach to report on Scope 2 emissions.

The reporting period covered in our annual emissions data is the calendar year, from January 1 to December 31st. AGI's GHG emissions data is collected through our internal ESG Data Collection Application and is compiled, calculated, and analyzed by our Global Sustainability function using an in-house calculation tool that uses the latest emission factors.

AGI currently measures emissions for three of the seven direct greenhouse gases under the Kyoto Protocol – carbon dioxide (CO$_2$), methane (CH$_4$), and nitrous oxide (N$_2$O). Emissions of each GHG (CO$_2$, CH$_4$, N$_2$O) are calculated separately and then converted to CO$_2$ equivalents based on their global warming potential.

AGI's primary sources of GHG emissions are stationary combustion equipment used at various stages in our production processes that consume natural gas and purchased electricity. These processes include metal fabrication, cutting, bending, roll forming, rolling, welding, punching, painting and high-tech processes like laser, punch, and robotics. We also operate a fleet including passenger vehicles, trucks, forklifts, and other mobile equipment to facilitate the transport of goods in and outside of our manufacturing facilities; the combustion of fuels including gasoline, diesel and propane used in this equipment contributes to AGI's mobile emissions.

We are also focused on identifying opportunities to reduce toxic chemicals in production processes. Several of our manufacturing locations use powder coating with low volatile organic compounds (VOC) content in our paint process. Compared to liquid paint, powder coating reduces emissions from VOCs.

Our actions in 2023

Measuring our greenhouse gas emissions

In 2023, we developed internal data collection processes to collect and calculate our Scope 1 and 2 GHG emissions from our warehouse and manufacturing locations, and calculated AGI's Scope 1 and 2 GHG emissions for 2022 and 2023.

In alignment with guidance from the GHG Protocol, we have updated GHG emissions figures for 2021 to account for structural changes, notably the strategic acquisition of Eastern Fabricators ("EFI") in 2022. This acquisition included three facilities in Canada: two facilities in Prince Edward Island and one in Ontario. These facilities were initially excluded from the baseline year calculation. AGI's 2021 baseline GHG emissions previously disclosed in AGI's Sustainability Progress Update have been recalculated and restated below to reflect this acquisition.

A breakdown of AGI's annual Scope 1 and 2 GHG emissions from our manufacturing and warehouse locations is in the table below.

INDICATOR	TARGET (If available)	2023	2022	2021 (Baseline)
Total Scope 1 Emissions (tonnes of CO_2 equivalent)	---	20,142	19,287	19,409
Total Scope 2 Emissions (tonnes of CO_2 equivalent) – Location Based	---	11,889	12,121	12,739
Total Scope 1 and 2 Emissions (tonnes of CO_2 equivalent)	---	32,032	31,408	32,148
Scope 1 and 2 Emissions (tonnes of CO_2 equivalent) Intensity (GHG Emissions per $1,000 in Revenue by Year)	To reduce Scope 1 and 2 GHG emissions (tCO_2e) as a percentage of revenue by 25% by 2030, compared to a 2021 baseline year	0.0210	0.0215	0.0268

Annual Absolute Scope 1 and 2 GHG Emissions
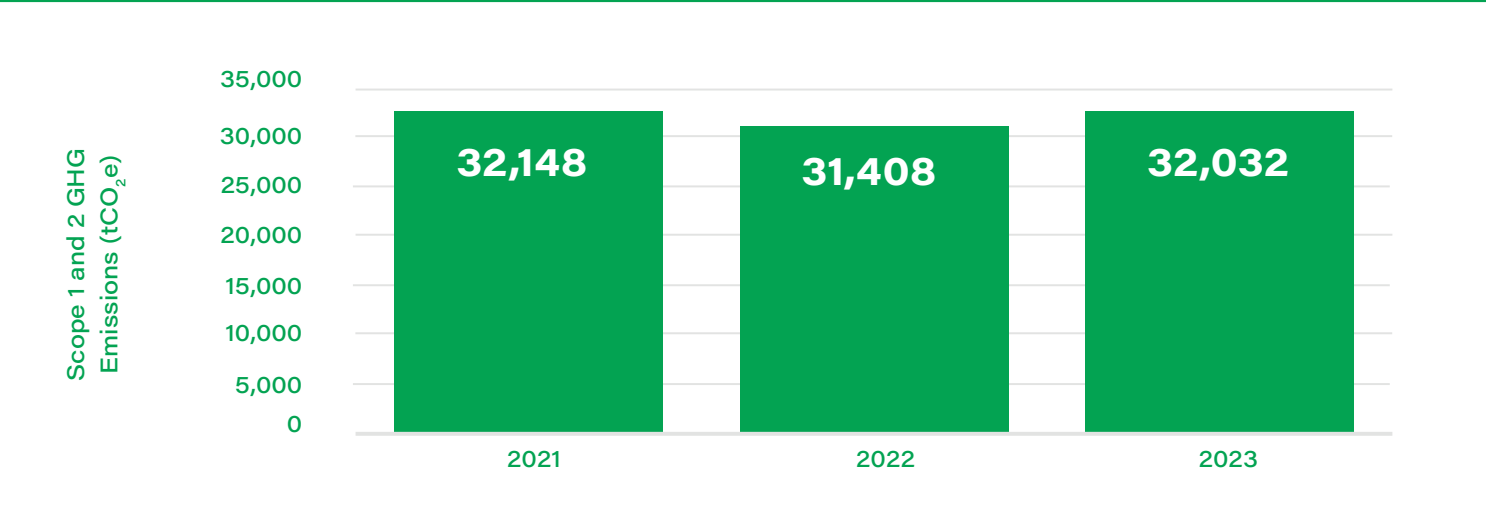
Scope 1 and 2 GHG Emissions (tCO_2e)

- 2021: 32,148
- 2022: 31,408
- 2023: 32,032

Annual GHG Emissions Intensity (GHG Emissions in tCO_2e per $1,000 in Revenue by Year)

GHG Emissions Intensity (GHG Emissions in tCO_2e per $1,000 in Revenue)

- 2021: 0.0268
- 2022: 0.0215
- 2023: 0.0210
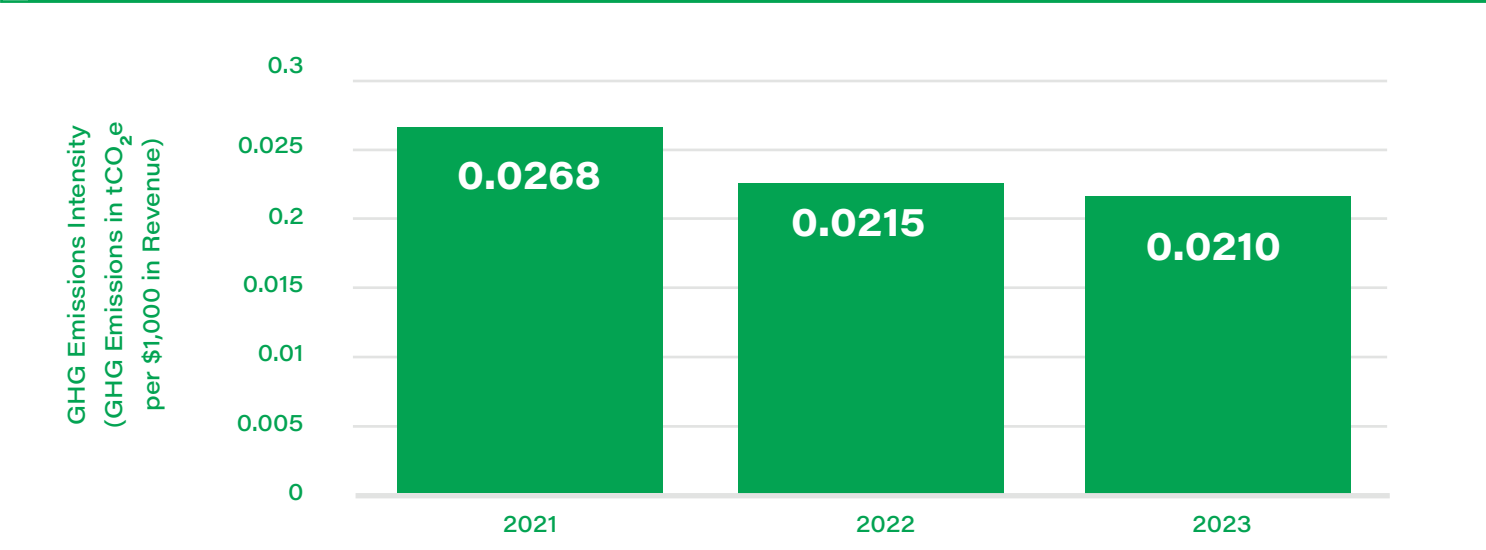
In 2023, 75% of Scope 1 emissions were from stationary sources and 25% were from mobile sources. Purchased electricity accounted for all AGI's Scope 2 GHG emissions in 2023.

Similar to AGI's energy consumption, there are several factors, both internal and external, that can affect AGI's annual absolute GHG emissions and GHG emissions intensity. While absolute GHG emissions remained relatively stable year-over-year, the consolidation and closure of AGI facilities in 2022 and 2023 contributed to lowering AGI's GHG emissions intensity, relative to the 2021 baseline.

In 2023, we also completed a screening exercise of AGI's Scope 3 (i.e., upstream and downstream value chain) GHG emissions, with support from a third-party consultant, which helped to identify the major categories of Scope 3 GHG emissions for AGI and to identify gaps in Scope 3 data availability to address in the future.

Harnessing the power of solar energy in Italy

AGI EMEA installed a 19.8 kilowatt peak photovoltaic rooftop solar system at its Ozzano Plant in Bologna in 2019. The 30 panels installed allow energy production on days with low sun radiation and have covered a portion of the location's electricity needs.

This system produced approximately 22.4 MWh of electricity in 2023, of which 21.15 MWh was consumed, helping to reduce the Ozzano location's carbon footprint, representing approximately 16% of the total electricity consumption.

Solar panels were also installed at AGI EMEA's Fiesso Plant, and the panels were connected to the national grid in November 2023. In November and December 2023, the system produced approximately 40.15 MWh, of which 32.40 MWh was consumed.

We estimate that the systems will help to avoid approximately 70 tonnes of CO_2 emissions per year across both locations.

Going forward, we will continue to track the energy generated from solar, GHG emissions avoided, and cost savings at both locations.

Target setting and decarbonization

Additionally, in 2023, we identified a broad set of opportunities to reduce Scope 1 and Scope 2 GHG emissions from stationary and mobile sources including from our fleet and from purchased electricity. Initiatives within these categories were further assessed for their ability to impact AGI's GHG emissions and based on cost and level of effort to implement. This analysis supported the setting of a realistic GHG intensity reduction target and development of a decarbonization roadmap.

Aligning with the recommendations of the TCFD and managing climate-related risks and opportunities

This report is the first year AGI has disclosed climate-related risks and opportunities in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. In 2023, we focused our efforts on strengthening our climate-related governance, and establishing an executive-level cross-functional working group to identify climate-related risks and opportunities for AGI. These risks and opportunities, and our approach to Board and management oversight, are further described in the TCFD section in the appendix of this report.

Next steps

With guidance from a third-party consulting firm with deep climate expertise, we are developing a detailed decarbonization plan that will guide our efforts and initiatives in 2024 and beyond to meet our established target. In addition, we will be rolling out select initiatives including a fuel card program across North America that will enable us to track activity data across our fleet.

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WATER EFFICIENCY & RECYCLING

Goal

To track and minimize water consumption and manage water discharge.

Our approach

Water is a critical resource and one that we know we must do our part to protect. We strive to manage water consumption as well as water discharge.

At AGI, most of our water consumption is for sanitary and custodial use. However, some parts of our manufacturing processes consume water in the production of our products including our powder paint process and water jet cutting.

Our priority is focusing on managing water consumption at facilities in locations that are vulnerable to water shortages, as per the World Resource Institute's Aqueduct Water Risk Atlas. This includes our facilities in India, our Fiesso and Ozzano locations in Italy, our Albion and Grand Island sites in the United States, and our Olds and Nobleford sites in Alberta and Woodstock, Ontario in Canada.

Water withdrawal at our manufacturing and warehouse locations is tracked and reported monthly through AGI's internal ESG Data Collection Application. Reported data is reviewed and approved by a designated authority at each location. Our local facilities are engaged in identifying opportunities to manage and reduce our water consumption. We also monitor discharge volumes of water and water recycled.

Additionally, some of AGI's products contribute to supporting water conservation outcomes. AGI's above ground water storage systems can support large-volume water management and can store between 392,885 and 5,500,000 US gallons of water. These systems exceed the American Water Works Association Standard D103-09, which provides the minimum requirements for the design, construction, inspection, and testing of cylindrical steel tanks for the storage of water.

Our actions in 2023

Water conservation efforts

AGI facilities identified opportunities to manage and reduce water consumption. Some examples include:

- Our India sites use water meters to track consumption for sanitary, custodial, and manufacturing process use. This includes measuring water used in the powder coating process. Water meters are read and recorded daily and data is aggregated each month.

- Our St. Boniface facility in Winnipeg, Manitoba, installed low flow taps, and uses lower flow toilets in their restrooms.

Water consumption

We continued to track water consumption at AGI manufacturing facilities.

Water consumption in 2023: 85,518 m^3

Water consumption is defined as total water withdrawal less total water discharge.

2023 Water Withdrawal by Source

- Local utility or municipal: 53,523 m^3
- Ground water or well water: 38,395 m^3
- Third-party (i.e., tankers, etc.): 478 m^3
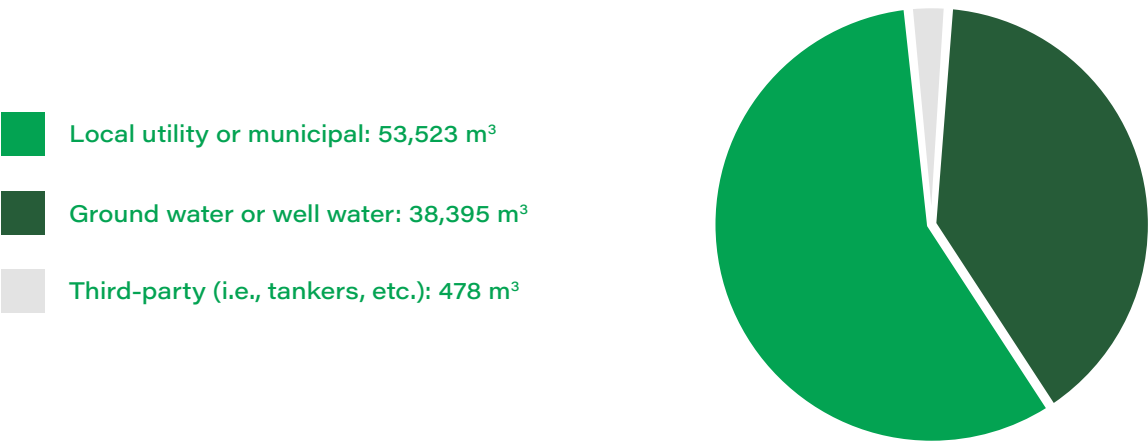
Annual Water Intensity (Water Consumed per $1,000 in Revenue by Year)

Water Intensity (Water Consumed per $1,000 in Revenue)

2021	2022	2023
0.0679	0.0559	0.0583
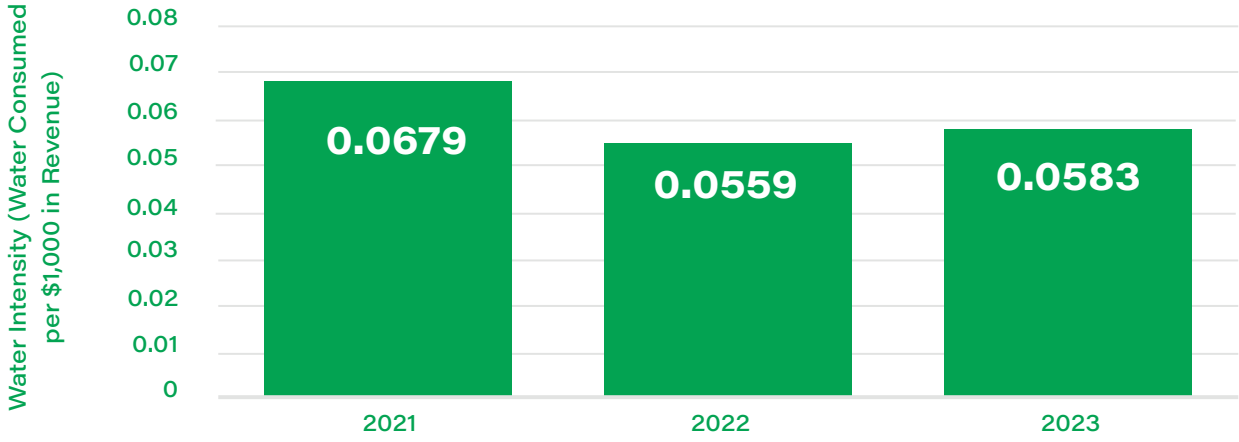
Next steps

We also conducted a comprehensive desktop analysis of physical water risk data for our global facilities, including identifying water stress levels, flood risk, and drought risk.

We intend to continue to identify further opportunities and initiatives to reduce our water consumption, enhance water recycling, and build awareness on water use and the sharing of best practices across our locations.

RESPONSIBLE CONDUCT

Enabling our people and partners with policies, processes, and trainings on governance best practices.

We prioritize the following responsible conduct topics:

1. Governance, Organizational Effectiveness & Employee Skilling
2. Ethical Conduct
3. Legal Risk Management
4. Supply Chain Continuity
5. Responsible Supply Chain
6. Data Governance & Security

AGI is committed to best practices for risk management and ensuring robust governance through our organizational structure, processes, and policies to achieve sustainable growth and resilience.

GOVERNANCE, ORGANIZATIONAL EFFECTIVENESS & EMPLOYEE SKILLING

Goal and targets

To strengthen our organizational processes and employee skilling opportunities.

The following targets have been established:

• Achieve an Employee Engagement Survey Participation Rate of over 80%

• Achieve an Employee Engagement Score of over 80%

Our approach

We are committed to meeting best practices and exceeding the guidelines established by the Toronto Stock Exchange and Canadian securities regulatory authorities for corporate governance. AGI's success is driven by the strength of these practices, as well as the effectiveness of our operations and the dedication and talent of each one of our employees. We are committed to providing our employees with opportunities for continuous learning and development.

Corporate governance

In 2023, AGI's Board of Directors consisted of ten directors, including our President & CEO, and nine independent directors. AGI's Chair is a non-executive and an independent director. Board members are elected and re-elected individually, on an annual basis.

We have three Board-level committees:

1. The Governance & Sustainability Committee: Assists the Board in fulfilling its responsibilities relating to corporate governance, sustainability, enterprise risk management, and health and safety matters.

2. The Human Resources & Compensation Committee: Assists the Board in fulfilling its responsibilities relating to compensation and human resource matters.

3. The Audit Committee: Assists the Board in fulfilling its oversight responsibilities by reviewing financial information provided to shareholders, identifying, and monitoring the management of principal risks that could impact financial reporting, reviewing disclosure and controls procedures, maintaining internal control over financial reporting established by management, and monitoring auditor independence and the audit process.

Each Board committee is guided by detailed Terms of Reference.

AGI has a Board Diversity Policy which sets out our commitment to maintaining a Board composition in which at least 25% of Directors are women. The G&S Committee considers the representation of women on the Board when identifying and nominating candidates for election or re-election to the Board.

For additional information on our corporate governance practices and policies, please see our 2024 Management Proxy Circular or visit our website.

Employee skilling and development

We are committed to investing in our employees' growth and development. We regularly provide employees with job-specific training, opportunities to participate in certification and degree programs, and other opportunities for leadership training and skills development. We offer competitive salaries, benefits, and an employee share purchase plan, which all salaried employees are eligible to participate in. Non-officer employees at specific levels within the organization are also eligible for variable incentive pay, which is determined based on a combination of financial and individual objective measures.

Our actions in 2023

Employee engagement

Last year, we launched an inaugural employee engagement survey for employees to share their feedback on the culture and level of engagement at AGI. The survey also addressed other areas including talent acquisition processes, learning and development, workplace flexibility, well-being, and diversity, equity, and inclusion. A total of 3,173 employees completed the survey, representing 63% of AGI's global workforce.

The survey was completed by employees in 13 different languages, representing the cultural diversity of our employee base. It established a baseline that can be used to measure progress and supported the identification of priorities for 2024. A key metric that we use to track employee engagement is the percentage of employees who find their work engaging and understand how it contributes to AGI's success. The overall employee engagement score from the survey was 89%, and we plan to continue to measure this metric over time through future surveys. Another metric we will continue to measure is the percentage of employees who are likely to recommend AGI as a good place to work, which was 82%. In addition to engagement surveys, we continue to identify opportunities to hear from our employees on an ongoing basis through different forums, such as through global and local Town Hall meetings, and initiative-specific surveys. For example, we conducted a survey related to our enterprise resource planning (ERP) transformation underway to understand employees' level of awareness of the project and identify the opportunities and obstacles that need to be addressed.

2023 Employee Engagement Survey

Employee Engagement Survey Participation:

63%

Employee Engagement Score:

89%

In 2023, our AGI India location became certified by the Great Place to Work Institute in India, in the mid-size organization category. As part of this certification, an assessment was completed to measure the quality of the employee experience through a globally validated survey index, and to evaluate the strength of leadership through a culture audit tool.

Talent development

In addition to job-specific training, over the course of 2023 we offered employees a range of learning and development opportunities across a range of topics such as safety, D&I, cyber security awareness, and more. Employees were also able to participate in self-paced learning via LinkedIn Learning, where they can attend courses aligned with development opportunities they identify. In addition, we engage dedicated training vendors specialized on different topics such as data security, safety, and D&I, and track these training hours separately.

We also provided training and skills development for our Leadership Team and support for employees to enroll in certificates or degree programs. These opportunities are approved on a case-by-case basis based on performance and alignment to the employee's role and career aspirations.

Last year, we continued to recognize and celebrate employee success and contributions through our Annual Top Sales Awards and Annual Functional Excellence Awards (for non-sales employees) across all departments. Our Annual Top Sales Awards Program is awarded to individuals or sales teams across five categories based on sales performance and growth relative to documented targets and absolute sales achieved. The Ben Scheiner Functional Excellence Award rewards and recognizes functional efforts that have a significant contribution to our strategic objectives and/or exemplifies our company culture and values, with three award levels.

HR digital transformation

We are investing in the systems and technology required to support all phases of the employee experience, from onboarding to talent development. Our global HR Digital Transformation initiative has been focused on implementing a common HR Information System (HRIS) that will be accessible to all AGI employees globally. In 2023, our HRIS was rolled out across North America, and we continue to expand access to all regions. We are working on integration of the HRIS with other IT systems and our ERP. We continue to roll out various HRIS modules including performance management, talent acquisition, and training and development, and integrate employee data from our global locations.

Spotlight on Brazil apprenticeship program

We are committed to developing talent in the manufacturing sector globally. AGI's Apprenticeship Program in Brazil ("Projeto AGIR") provides students with the opportunity for on-site classroom training and on-the-job learning. The objective of the program is to provide professional development and qualification opportunities for youth in the local community, and to train potential future employees of AGI. This program is offered in partnership with Brazil's National Service for Industrial Training (Serviço Nacional de Aprendizagem Industrial), a network of secondary professional schools that provide technical and vocational education and training. Each year, AGI provides approximately 32 students with a 12-month-long paid internship, structured classroom training (offered Monday-Friday afternoons) and hands-on experience at AGI. Students also receive additional benefits including health insurance, meals, and transportation. During the program, students become skilled in administrative, logistical, and technical areas such as in communication, logical reasoning, and technical design and become part of AGI's culture and community. In some cases, graduates of the program can obtain permanent employment at AGI after completion. In 2023, 32 students (17 male, 15 female) graduated from the program. The program will be offered in 2024, with another 32 students enrolled.

Next steps

In 2024, we are committed to standardizing talent development processes, continuing to engage our employees, and expanding training opportunities on topics such as coaching, performance management, and D&I. This will involve leveraging our HRIS to support goal setting and performance management and developing tools to support employees' professional development planning. We are exploring learning and development platforms that can support our global training and development efforts. Additionally, we are developing and rolling out an emerging talent program.

ETHICAL CONDUCT

Goal

To empower our workforce with policies and resources to ensure ethical business practices.

Our approach

Acting in an ethical manner is one of AGI's core values. As a global operation with employees, partners, and agents working all over the world, it is critical that anyone representing AGI strictly adheres to acceptable and ethical business practices and that any potential risks are identified and dealt with immediately. Our compliance program fosters an ethical culture and raises awareness of our Code of Business Ethics to mitigate corruption and other compliance risks. AGI's Ethics and Compliance Team, comprised of members from AGI's Internal Audit and Legal functions, oversees AGI's ethical conduct policies and practices including taking appropriate follow-up action, and reporting to senior leadership and the Audit Committee of the Board.

AGI's Code of Business Ethics outlines the business practices, standards, and behaviours that AGI Directors, Officers, and employees must follow to uphold AGI's reputation for honesty, integrity, and reliability. The Code applies to consultants, contractors, dealers, distributors, and agents retained by AGI. Annually, AGI employees are invited to respond to an ethics confirmation that covers topics including conflict of interest, integrity in business dealings, and compliance with AGI's Code of Business Ethics, among other areas.

We are committed to supporting an environment where employees feel safe reporting any concerns about behaviour that may go against AGI's Code of Business Ethics. Employees are encouraged to raise concerns about suspected violations of our Code of Business ethics to their direct supervisor, Human Resource Business Partner, or to a member of the AGI Leadership Team. External stakeholders can also report concerns to AGI's Ethics and Compliance team by email. AGI's Whistleblower Policy and program establishes courses of action for employees to report concerns anonymously. Any individual that wishes to remain anonymous can report a concern via AGI's third-party service provider, Whistleblower Security Inc., and their secure application, "Integrity Counts".

This secure online application is confidential and allows a reporter to be anonymous if desired, and is available 24/7 in over 25 different languages. Internal Audit administrates AGI's whistleblower program, including ensuring all reports received are tracked and investigated within a timely manner, involving appropriate functions such as Legal, HR, Finance, and other applicable functions as needed. The Internal Audit team reports on incidents received and the status of investigations to AGI's Audit Committee and select members of senior leadership, as appropriate. AGI prohibits retaliation against anyone who reports suspected unethical conduct through the annual ethics confirmation or whistleblower program.

AGI avoids business dealings with individuals, companies, or governments that could pose a concern to AGI's reputation. AGI's Anti-Bribery and Anti-Corruption Policy complements our Code of Business Ethics and provides a framework for effective compliance by AGI with applicable anti-bribery and anti-corruption laws, including outlining roles and responsibilities across our business operations and encouraging a commitment to compliance with laws, transparency, and integrity in all our business operations. AGI's Senior Vice-President of Legal oversees and implements the Policy, as well as the development, implementation and conduct of AGI's Anti-Bribery and Anti-Corruption program.

In addition to our Code of Business Ethics, Whistleblower Policy, and Anti-Corruption and Anti-Bribery Policy, the following governance policies outline our expectations of our employees, agents, and suppliers on ethical conduct:

- Harassment and Violence Prevention Policy
- Insider Trading Policy
- Supplier Ethics Policy

To better vet and understand the background of AGI's partners, agents, suppliers, customers, and other parties, we have invested in new tools and third-party databases to help us review potential partners. In 2023, AGI continued to subscribe to a third-party software service that specializes in global trade compliance. The tool promotes greater visibility and understanding of the parties we deal with around the world. As we operate in several countries outside of North America, having access to these types of tools helps to minimize legal risk by reducing the possibility of AGI becoming associated with parties who do not meet AGI's standards for ethical conduct and acceptable business practices.

Our actions in 2023

Ethics confirmation

In 2023, we issued AGI's annual ethics confirmation across our global sites. The confirmation was distributed to applicable AGI employees electronically. Through the questionnaire, employees were asked to acknowledge that they were aware of AGI's Code of Business Ethics and processes to report incidents, and to report any past or current business practices or activities that may be against the Code. Our Ethics and Compliance team is responsible for reviewing all responses.

Whistleblower program

AGI's whistleblower program was enhanced in 2023, including the roll out of the secure online reporting application, Integrity Counts, to all employees globally in January 2023. Internal Audit administered the program including ensuring all reports received are tracked and investigated within a timely manner, involving appropriate functions as needed.

Training

To strengthen employee awareness of ethical business practices and reinforce the importance of AGI's policies, we offered a range of in-person and web-based training opportunities to AGI employees. For example, we provided training across our North American facilities on AGI's Harassment and Violence Prevention Policy. In addition, over 40 team members in our Finance function participated in Ethics in Business and Fraud Awareness training facilitated by a third party. Employees also completed web-based training using a third-party training vendor, across different ethics-related topics such as conflict of interest.

Next steps

Our focus on adhering to the highest standards of ethical conduct will continue into 2024, including through the issuance of our annual ethics confirmation, translation of our Code of Business Ethics into multiple languages, the delivery of mandatory anti-bribery and anti-corruption training to applicable employee groups, and continuing to utilize our third-party whistleblower hotline and taking appropriate follow up action as required.

LEGAL RISK MANAGEMENT

Goal and target

To manage legal and regulatory risks through policies, processes, and training.

The following target has been established:

- To achieve a 100% completion rate for anti-bribery and anti-corruption training among applicable employees

Our approach

AGI's Board of Directors oversees management in ensuring that legal requirements applicable to AGI are met, and that AGI operates within applicable laws and regulations. Our Legal function provides guidance and support across all functions to monitor, identify, and manage legal and regulatory risks facing AGI through policies, processes, and training. This includes working collaboratively with the global corporate sustainability function on monitoring ESG-related legislation, as well as any potential legal and/or regulatory risks facing the corporation. In addition, legal and regulatory risks are identified in our Enterprise Risk Management Framework and processes.

Our actions in 2023

Ongoing monitoring and compliance

With several governance-related policies finalized in 2022, we concentrated efforts in 2023 on monitoring adherence to these policies and through the ongoing monitoring of both internal and external legal risks and taking the appropriate steps to ensure compliance.

For example, in 2023, the Government of Canada passed Bill S-211, "An Act to Enact the Fighting Against Forced and Child Labour in Supply Chains Act and to Amend the Customs Tariff", ("Canada's Modern Slavery Act"), which requires companies to disclose the steps taken to address risks of child and forced labour in their supply chains.

A key focus in 2023 was on understanding the regulatory and reporting requirements from this legislation that apply to AGI and identifying steps to address these requirements and to identify any potential risks of modern slavery in our supply chain.

Additional details on AGI's responsible supply chain efforts are described in the upcoming sections of this report. In addition, we continued to leverage AGI's third-party software vendor to understand the background of AGI's partners, agents, suppliers, and customers.

Training and awareness building

In addition, we provided training to employees and agents across a range of legal topics through a third-party training vendor. Training hours on these topics are tracked by the third-party vendor.

Next steps

We will continue to monitor legal and regulatory risks through a review of policies, processes, and training in 2024. In addition to the ongoing monitoring of third parties operating on AGI's behalf, we will focus on translating key corporate policies into applicable languages and expanding training on anti-bribery and anti-corruption training to identified employee groups, focusing on employees in higher risk areas (including sales, procurement, and logistics). Additionally, we continue to identify opportunities for the ongoing monitoring of and due diligence regarding modern slavery risk in our supply chain.

SUPPLY CHAIN CONTINUITY

Goal

To develop supply chain infrastructure to ensure continuity without business interruptions.

Our approach

AGI operates and serves customers around the globe and relies on an international supply base. Main goods procured include raw materials including steel and technical components, which are typically sourced regionally where available.

Our Global Supply Chain function provides critical support to our business, from sourcing, planning, and delivering, to serve and win AGI's customers. This is accomplished by standardizing global practices and developing corporate supply chain policies and processes. The functional team is responsible for: category & spend management, inventory management, supply risk management, logistics & freight management, supplier relationship management, sales & operations planning, indirect spend management, fleet (asset) management and supplier selection & qualification. Strategic supply chain priorities are aligned with AGI's strategic objectives and include supplier consolidation, price and contract management, design material/ specification changes, and standardization.

To ensure supply chain continuity, our Global Supply Chain function develops and promotes the use of demand and supply business continuity tools and sharing of best practices across facilities. On time and on cost delivery is also achieved through comprehensive contract and risk management processes and activities such as category management to ensure there are multiple viable suppliers active in each area, forward-looking industry assessments, and continuity planning. In addition, AGI conducts quarterly reviews with strategic and preferred suppliers to assess performance and identify corrective actions. As well, we conduct frequent reviews of inventory.

AGI's logistics team manages the movement of goods from suppliers to manufacturing facilities and the movement of AGI products from AGI facilities to our customers in the most efficient and effective way possible to meet our customers' needs. ESG-related supply chain risks that may impact supply chain continuity such as labour shortage, geopolitical, and weather impacts are monitored and proactively addressed by the team, such as by planning additional routes or developing alternative shipping plans. Supply chain continuity is also achieved by having multiple supply agreements in place and a diverse supply base, and increasing safety stock for critical products. In addition, there are weekly alignment calls with Purchasing Managers for consistency across AGI's global facilities to ensure no supply shortages.

Our actions in 2023

In 2023, the Global Supply Chain function drove supply chain continuity efforts through several key initiatives:

Supplier segmentation

To improve our planning and forecasting capability to anticipate disruption risk, in 2023 AGI introduced and implemented a new supplier segmentation approach that segments all AGI suppliers into four key categories (Strategic, Preferred, Maintain, or Exit) based off criteria including spend, potential customer impact and supplier risk. This approach has enabled AGI to identify the supplier relationships that are most important and has been a critical first step in supplier management.

Demand and recovery planning

In addition, the Global Supply Chain function also developed tools and templates including a demand and recovery tool for use by procurement managers. We encourage the sharing of best practices through sharing of demand and recovery tools and learnings across our global facilities.

Supplier quality

In 2023, we also increased our focus on the development, implementation and standardization of supplier management strategies, processes, and tools. This includes formalizing supplier selection and development tools such AGI's supplier audit tool and supplier quality manual. These tools were also reviewed and updated to ensure that they addressed ESG-related criteria. Additional supplier quality efforts included creating and maintaining an approved vendor list, developing a part approval process, and implementing a formal supplier development process.

Optimizing material use

As the steel industry decarbonizes, this presents opportunities for AGI to procure more sustainable input materials. In 2023, AGI made some steel purchases from steel suppliers using electric arc furnaces (EAFs), which mainly use scrap and recycled metals. We estimate that approximately 40% of steel used in the manufacturing of AGI grain storage bins is now sourced from suppliers using EAFs. AGI also seeks to optimize its use of materials used in production processes.
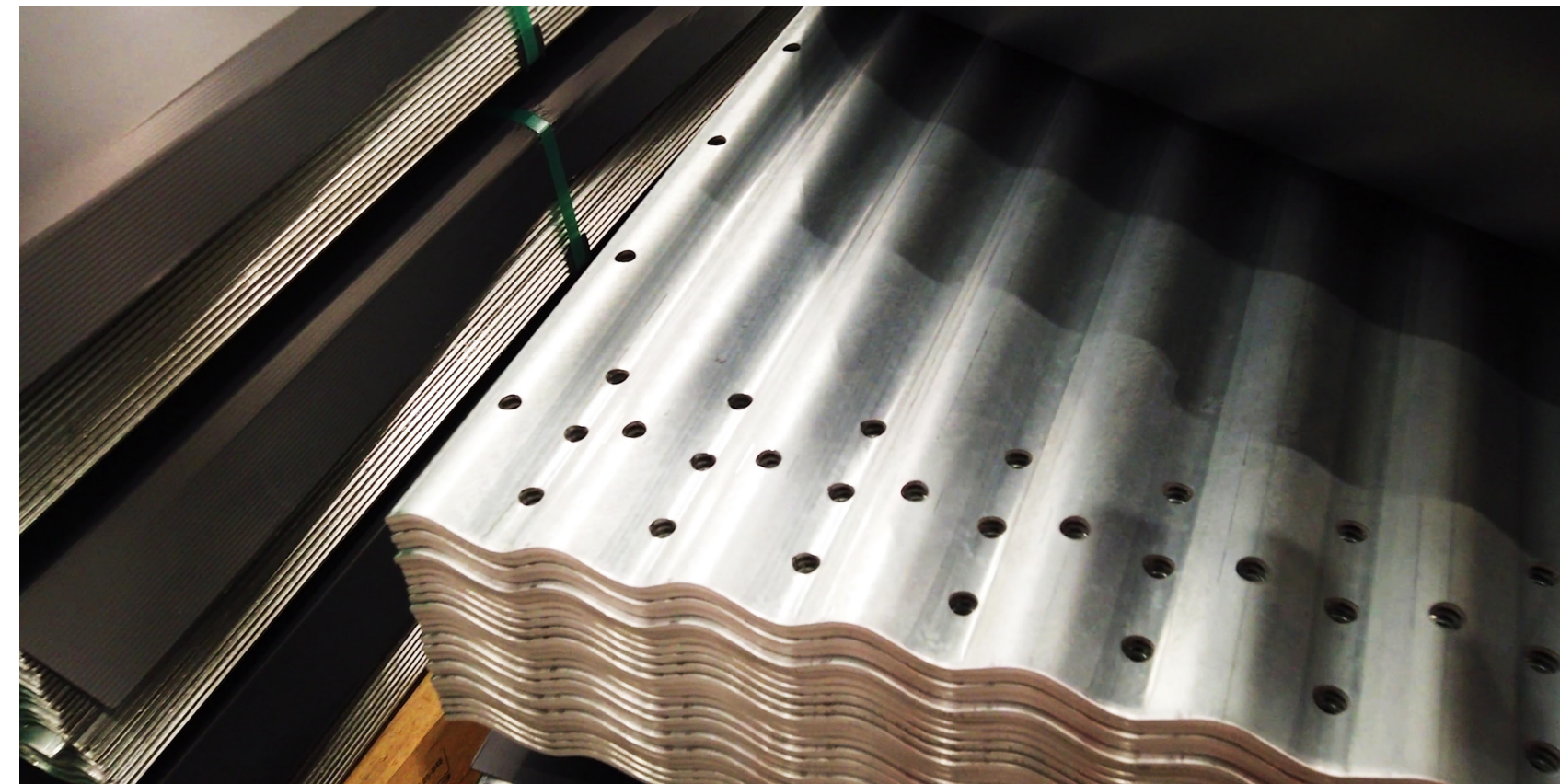
Enterprise Resource Planning (ERP) Transformation

In 2023, AGI's supply chain function supported the design for a centralized ERP system to store supplier master data, and centralize sourcing, contract management, and vendor management activities in a single system. It is anticipated that this centralized procurement process will provide several benefits including an improved supplier experience, increased efficiency, better visibility and access to the most timely information.

Training and awareness

The above initiatives were reinforced through proactive communication, training, and awareness building activities. Our Global Supply Chain function conducted quarterly Town Hall meetings to share updates on strategic priorities and progress. Additionally, frequent inventory review meetings and meetings with AGI's Global Product Management team were conducted. Our team members also attended a global Steel Council monthly meeting to discuss trends and risks in the global steel supply chain. All supply chain tools and templates can be accessed by Procurement and Plant Managers from AGI's global facilities in our internal Global Supply Chain SharePoint portal.

Next steps

Planned 2024 efforts to ensure continuity and reliability in our supply chain include proactive contract management, continuing to standardize global and regional processes, broadening training for employees, and commencing the deployment of AGI's centralized ERP system. In 2024 and beyond, we also intend to identify opportunities to procure sustainable goods and input materials and will proactively monitor potential ESG regulatory impacts on our supply chain.

RESPONSIBLE SUPPLY CHAIN

Goal

To manage risks in AGI's supply chain related to supplier activities (e.g., environmental responsibilities, abiding by labor laws, etc.).

Our approach

Highly correlated with ensuring supply chain continuity is ensuring that we are proactively managing ESG-related risks and opportunities related to our supplier activities. We believe that embedding ESG criteria in our supplier segmentation, selection, and performance monitoring efforts supports the sustainability of AGI's operations and contributes to the achievement of our strategic objectives.

We are committed to holding our suppliers to the highest standards of product quality and business integrity. This includes their business conduct, human rights and labour, health and safety, and environmental practices. AGI's expectations of our suppliers in this regard are established in AGI's Supplier Ethics Policy.

Our Global Supply Chain and Global Sustainability functions work together closely to identify, monitor, and manage risks and opportunities related to this. Procurement Managers across AGI's global facilities also play a role in identifying and surfacing ESG-related risks and opportunities.

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Our actions in 2023

Strengthening our understanding of ESG risks and opportunities in our supply chain

We conducted an internal desktop ESG analysis of our strategic suppliers to identify their level of sustainability maturity and identify areas of opportunity. We also strengthened supplier engagement on ESG topics. We plan to conduct additional third-party screening of suppliers (and other third parties) for ESG-related risks including adverse media, watchlists, and/or sanctions screening.

Formally embedding ESG in tools and processes

In addition, we incorporated ESG criteria into supplier selection and performance management tools such as supplier qualification tools and performance contracts. Our Global Quality function also conducts audits of key suppliers which include environment, health and safety, and risk management criteria.

Compliance with Canada's Modern Slavery Legislation

In 2023, the Government of Canada passed Bill S-211, Canada's Modern Slavery Act. This Act requires AGI to provide a disclosure statement that covers the steps taken to address risks of child and forced labour in our supply chains. For this reason, a key focus in 2023 was understanding the regulatory and reporting requirements from this legislation that apply to AGI and identifying steps to address these requirements and understand the risks of modern slavery in our supply chain. In 2023, we revised AGI's Supplier Ethics policy to include human rights considerations including: use of child labour, use of forced labour, and acceptable working conditions, in alignment with the International Labour Organization conventions. AGI's Modern Slavery Statement for 2023 can be found on our website here.

Awareness building

In 2023, we focused on building foundational awareness and understanding of sustainability among our supply chain and procurement team members, such as through presentations on ESG topics at Global Supply Chain Town Hall meetings, training on AGI's policies, and providing access to additional learning material.

Next steps

In 2024, we will continue to embed ESG criteria into supplier management tools, processes, and purchasing decisions. We intend to formalize supplier engagement on ESG topics by integrating ESG into quarterly business reviews with our suppliers. We will also continue to deliver training on selected ESG topics (e.g., modern slavery risks) to Purchasing and Plant Managers across our global facilities. In addition, we plan to define key performance measures to track supplier ESG performance over time and will continue to identify tools and processes to support the collection of ESG-related data from our suppliers.

DATA GOVERNANCE & SECURITY

Goal and target

To manage risks and create employee awareness related to data governance and security. Data governance and security includes cyber security, customer privacy, policies, and practices related to IT infrastructure.

Target:

- Achieve a 100% completion rate among employees for security awareness training

Our approach

With our operations becoming more interconnected, and the pace of system and network sophistication increasing across the globe, AGI recognizes the need to properly protect the data, systems, and critical IT infrastructure required to run our business. Just as personal safety is critical for AGI, so is the safeguarding of our information.

The Governance & Sustainability Committee of the Board annually reviews AGI's enterprise risk management framework, which identifies, assesses, and reports on key risks associated with AGI, including those related to information technology and cyber security practices. Data governance and security risks are managed by our Global IT team, led by our Lead Transformation Officer. Our Global IT team has the skills, capabilities, and experience to proactively identify priority areas and develop robust action plans to resolve any issues that arise. We also engage third parties for additional support. AGI has secured the services of an industry-leading Managed Security Service Provider (MSSP) to monitor and react to threats within the AGI IT environment. Our MSSP conducts annual penetration testing with quarterly retests. In addition, we also engage third-party support to increase the frequency of external and internal network scanning using a leading vulnerability scanning and management tool to proactively identify areas that require investigation.

In addition to formal responsibilities and oversight, we view the safeguarding of information as the responsibility of all AGI employees and contractors. With the trend of unwelcome individuals and groups targeting company email to access systems, we have implemented security awareness training programs to ensure the entire AGI workforce is educated on preventing potential threats. Phishing simulation emails are also regularly distributed and customized to each user, with additional training provided to those who require it.

AGI has several Information Technology (IT) policies in place to manage data and security risks facing the organization. These policies are accessible to all employees. For example, AGI's Incident Response Policy covers all cyber security incidents that may affect the security and integrity of AGI's Technology Environment (e.g., virus or malware infecting computers), and outlines steps to take in the event of such an incident. AGI's Acceptable Use Policy outlines AGI's rules or guidelines on the acceptable use of IT technologies including IT hardware, software, systems, and includes a sub-section on data security and protecting confidential data. AGI has a responsibility to protect and respect the privacy of personal information provided by its shareholders, customers, contractors, suppliers, business associates, and members of the public in accordance with applicable privacy laws. AGI's Privacy Policy explains AGI's privacy and security practices with respect to all personal information in the custody or control of AGI. These policies are applicable and available to all employees on our internal AGI SharePoint site.

Over the last several years, we have overhauled the data backup process into a more sustainable and resilient solution, which will allow AGI to recover from any security incident faster and with more control than in previous years. We have a documented restore plan to prevent any IT system interruptions. We also conduct quarterly testing with Finance on a selected ERP system and they verify data integrity. During the normal course of business, we review and audit the backups to ensure backups are in fact being taken.

Our actions in 2023

In 2023, our Global IT team made progress on several initiatives to increase AGI's preparedness and resiliency to data governance and security risks. This includes updating and formalizing IT policies, delivering security and awareness training, and enhancing AGI's preparedness for cyber security-related risks.

Policy review and development

During our annual policy review, AGI's Acceptable Use Policy was reviewed and updated. The policy was updated to include references to AGI's Electronic Monitoring Policy, Italy's Privacy Policy and AGI internal security tools used to protect and secure our environment as needed by Privacy Regulators such as the EU's General Data Protection Regulation. The updated policy was sent to all employees who access AGI's IT systems to review and provide their sign off. We also developed an Artificial Intelligence Policy that establishes guidelines for the restricted use of Artificial Intelligence Language Models with a specific focus on protecting AGI's sensitive, financial, and confidential information that should not be entered into public AIML tools.

Training and awareness

We continued to conduct phishing simulation tests with our employees. AGI employees have flagged, as phishing, more than 40% of the 22,268 emails sent as part of the phishing simulation, demonstrating a keen awareness of suspect emails and a cautious approach across our employee base. We track our employees phish prone percentage, which is measured as the percentage of users' responses to IT's phishing tests. Last year, we continued to see a positive downward trend in these responses. In addition to phishing simulations, ongoing IT security training and awareness courses on a range of topics were offered to all employees. These courses are offered on a quarterly basis and tailored to reflect the threat landscape. We continue to identify ways to increase engagement and completion of security-related training.

Cyber security awareness

In 2023, AGI contracted with our MSSP to conduct a cyber security tabletop exercise to assess preparedness and readiness for a cyber security incident. Findings and recommendations from this exercise have been incorporated into planning cycles for the facilities in scope.

In October, AGI also participated in Cyber Security Awareness Month by making four additional voluntary training courses on cyber security available to AGI employees.

Next steps

In 2024, AGI has strategically collaborated with an external partner to undertake a comprehensive 'Cyber Maturity Security Assessment.' Commencing in January 2024, this assessment will transcend geographical boundaries, providing a holistic view of AGI's security posture. The outcomes of this assessment will not only inform AGI's security roadmap but also empower the organization to proactively address emerging cyber threats. By leveraging expert insights and cutting-edge methodologies, AGI aims to enhance its resilience against cyber risks, safeguarding critical assets and ensuring uninterrupted operations. Additionally, our IT function continues to standardize software, hardware, and IT-related policies for the global organization.

COMPELLING SOLUTIONS

We prioritize the following compelling solution topics:

1. Product/Service Excellence
2. Technology & Innovation
3. Product User Safety

Innovating to offer solutions for customers and end-users addressing quality, safety, and environmental needs.

AGI strives to deliver best-in-class solutions to our customers and end-users. As a supplier of the world's food infrastructure, AGI contributes to reducing post-harvest losses and increasing food security through its equipment, solutions, and technologies. The safety of our customers is our top priority, and we strive to ensure our products drive safe outcomes for our customers and to equip customers with sufficient knowledge to operate our equipment safely. We are also identifying opportunities to reduce the environmental impact of our products, through improved design and technology.

PRODUCT/SERVICE EXCELLENCE

Goal

To offer products and services that exceed customer expectations for quality, durability, and reliability.

Our approach

We strive to be the market leader from a quality standpoint in every market in which we operate. AGI's Global Product Management Team has accountability and responsibility for product excellence, and focuses on strategic product roadmapping, product development, and product rationalization.

We are continually increasing our internal research and development capabilities and improving our product development process so that we can be at the forefront of anticipating our customers' expectations for quality, reliability, and durability. To ensure we understand and can anticipate our customers' needs, we collect 'voice of customer' data for key regions and product segments.

AGI's Product Integrity Program is a cornerstone of our manufacturing philosophy. It encompasses our manufacturing operations and products ensuring compliance with relevant governing bodies and standards across the globe. The program is focused on design and manufacturing integrity and comprises several key engineering policies, manuals, and procedures implemented in AGI facilities in the regions where we operate.

In addition to the impact our products have on global food security outcomes, we aim to develop and provide products that contribute to safety and environmental outcomes such as improved energy efficiency, and as a result, reduced greenhouse gas emissions. Several of AGI's products are designed with energy efficiency in mind, such as our Mixed Flow Grain Dryers and our portable handling equipment (e.g., augers) that can be powered with electric motors. We are constantly reviewing our designs to increase efficiency and reduce consumption of raw materials. We are identifying opportunities to consider the environmental aspects of our products during the research and development phase.

As well, we aim to extend the useful life of AGI products by supporting our customers with maintenance and repairs, including supplying spare parts so customers can maintain and extend the life of their products.

We conduct annual surveys to assess customer satisfaction and loyalty, and gain strategic insight into areas where AGI exceeds expectations, areas for improvement, and whether customers are likely to recommend our products and services. This feedback allows us to adapt to our customers' needs and improve the overall customer experience. We have been tracking AGI's Net Promoter Score for AGI products and AGI as a company.

Our actions in 2023

Global Product Management

AGI's Global Product Management function continues to further AGI's efforts on strategic product roadmapping, product development, and product rationalization by key product lines. In 2023, the function made progress towards consolidating design protocols for several products, the benefits of which can be used globally. This enables AGI to produce consistent products across multiple locations, reduce technical risk, reduce design expenses, and create manufacturing flexibility across our network. Other key areas of focus included consolidating global product data to reduce complexity, improving cost position, and enhancing design and manufacturing to improve product quality, cost, and safety for customers.

Improving the environmental impact of our products

In 2023, we continued to offer products and clean technologies aimed at reducing our customers' energy use. For example, AGI portable handling equipment such as our augers can be powered with electric motors, using less energy than augers powered by gas engines or hydraulic motors. AGI's Mixed Flow Dryer technology also supports farmers' energy-efficiency objectives and helps farmers get the most out of their crop. Compared to traditional grain dryers, AGI Mixed Flow Dryers do not use screens and require less effort to operate and maintain. With a gentler drying process, Mixed Flow Dryers use less fuel (natural gas or propane) than a traditional screen dryer to run and promote safety as there is a reduced risk of debris. In 2023, some AGI products such as AGI Mixed Flow Dryers were eligible for US Department of Agriculture Rural Energy for America Program grants. These grants, available for US producers, help to offset the purchase of energy-efficient on-farm equipment. We are identifying other opportunities to enhance the design of our product to optimize the use of steel, which would reduce the carbon footprint of our products (i.e., AGI's scope 3 emissions).

Quality management

AGI is committed to building the capabilities and skill set required to support quality management across AGI facilities and processes. This focus includes, but is not limited to, supporting facilities in obtaining and maintaining a quality management system (QMS) certification. Approximately 23% (7/30) of AGI sites are QMS certified.

In 2023, four facilities in Canada maintained their International Organization for Standardization (ISO) 9001 certification: St. Boniface in Winnipeg, Manitoba, Olds and Nobleford in Alberta, and Corman Park, Saskatchewan. In the United States, our Clay Center, Kansas facility became the second US plant to achieve ISO 9001 certification, along with Grand Island, Nebraska. In addition, our Albion location is IAS AC472 accredited, a quality standard specifically for the pre-engineered metal building industry, and a member of the Metal Building Manufacturers Association which requires the IAS accreditation to maintain its membership.

Some of our facilities in EMEA are QMS certified. Our Fiesso facility is certified in comprehensive quality requirements of fusion welding of metallic materials (ISO 3834-2), our Ozzano facility is certified in structural product design (EN 1090-1 – CE marking for structure components in steel or aluminum), and our Este facility is certified in ATEX Quality Assurance Notification by the Canadian Standards Association. Our facilities in India are in the process of (ISO 9001) re-certification.

Last year, we improved our warranty process and report format by identifying the root cause and corrective actions related to the significant incidents reported. Warranty expenses as a percentage of revenue improved by 53% in 2023. Our Global Quality Management function also supported the development and implementation of supply chain quality controls to prevent and mitigate vendor incidents, including the development of a Supplier Quality Manual. Going forward, we intend to focus our quality management efforts on facilities that do not have comprehensive quality management systems in place.

Lean/Green Belt training

Our continuous improvement efforts are anchored in developing our people and investing in their skills. To support this goal, we are delivering Lean Six Sigma Green Belt certification for employees across North America and in Brazil. In 2023 we held six training sessions, which 47 employees completed. AGI now has 179 actively trained Green Belts across North America and in Brazil who are driving a wide array of continuous improvement initiatives. In 2024, an additional training session is scheduled, and we are also looking to offer refresher and adapted training for program graduates. In addition, we are planning to involve Green Belt graduates more actively in leading and executing projects and strategic initiatives. Our focus on tracking performance will shift towards measuring the number of Green Belt-led projects, and measuring any savings generated from these lean practices.

Next steps

In addition to these future quality management efforts, we are identifying opportunities to consider the environmental aspects of our products during the research and development phase and developing an approach to better understand the carbon footprint of our product inventory, in line with industry guidance. We will continue to identify ways to reduce use-phase energy consumption and the carbon footprint from our existing and new products through design and technology.

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TECHNOLOGY & INNOVATION

Goal

To improve and upgrade our products and technologies to exceed customer requirements.

Our approach

At AGI we are committed to continued innovation across our product lines to deliver advanced technology, automation, functionality, and features that add value to our customers. Across our product lines, there are specific examples of product development completed and in progress focused on meeting and exceeding our customers' expectations. These include innovations relating to automation, remote management, improved energy efficiency, and reduced maintenance. We are also committed to innovation in our manufacturing facilities and processes, and using technology that enhances the quality and durability of our products.

Our actions in 2023

Research and Development

There are several examples of research and development (R&D) activities that took place across AGI product lines in 2023:

- Developed an integrated pre-cleaner dryer system for AGI's Mixed Flow dryers. The pre-cleaner system removes any unwanted debris from grain before it enters the dryer, helping yield higher quality results. The pre-cleaner system can retrofit any existing dryer. The pre-cleaner provides benefits such as reduced dust emissions, improved dryer efficiency, and improved grain quality.

- Continued to develop and introduce a new open discharge spout for AGI augers, including swing-away augers and truck-loading augers. The discharge spout delivers a faster, more efficient flow of grain, improving the energy-efficiency of the auger, reducing the power requirements per bushel handled. AGI's new auger series features Wear Edge Technology™ that increase the lifespan of the auger, reduce noise and enhance the assembly process.

- AGI's Cross-Vault fuel tank is an innovative, dual listed thank that combines the functionality of two tanks into one, eliminating the need to utilize two tanks (one mobile, one stationary) in a temporary use application. This eliminates the need to vacuum out the tank prior to moving it, reducing the risk of a spill.

Innovations in manufacturing

We are investing in our manufacturing facilities around the globe to use the latest equipment and technologies in our production processes. In 2023, we made investments in new lasers/laser cutters, upgraded bandsaws and press brakes, and advanced automation equipment across select global facilities, among others. Investments in innovative and advanced automation equipment will enable us to continue to meet our customers' needs and expectations for quality, reliable solutions.

Next steps

In 2024, we have identified opportunities for continued innovation across our product lines and in our manufacturing processes. For example, we are improving our New Product Development process, which will include a focus on product safety. Specific R&D projects are being planned across AGI facilities to take place throughout 2024 and beyond.

AGI Digital

AGI Digital's contribution to producer sustainability outcomes

AGI's Digital products include farm and commercial technology solutions to collect and monitor on-farm and grain bin data, and monitor hazardous work environments.

On-farm field and grain bin monitoring

AGI provides leading-edge, data-driven technologies that let farmers and agri-business leaders collect consistent, at-scale data to validate field-to-bin crop activity and monitor, protect, and improve the quality of stored grain.

AGI's Farmobile PUC device passively collects and normalizes field-level agronomic and machine data across a mixed fleet. This technology enables farmers to validate land stewardship and sustainable farming practices, and qualify for new markets.

The AGI BinManager solution provides real-time grain bin monitoring as easy as in the palm of your hand. This gives farmers visibility into stored grains and helps protect grain quality and condition and prevent grain loss. It also provides in-bin grain aeration, temperature, and moisture controls and conditioning.

AGI's SureTrack online software platform supports bin monitoring including measuring temperature, humidity, static pressure, and automating fan activity. It also provide farm management and automating fan activity.

Digital sensor technologies to protect food products

AGI provides hazard monitoring and grain storage management systems built around advanced digital technology to improve efficiency and safety in commercial operations. AGI hazard monitoring systems and sensors help processors and millers prevent food loss by monitoring safety and quality conditions across their stored commodities and operations.

Technology solutions that support producer sustainability outcomes

We are committed to supporting our customers in meeting their own sustainability objectives and reducing on-farm emissions. Our technological solutions help to enable these outcomes.

AGI Digital is involved in several R&D collaborations with external partners, where AGI provides the hardware and software for field and bin-level monitoring, to help support the adoption and verification of practices to drive farm-level sustainability outcomes. These soil management practices may include cover crops, nutrient management, and reduced tilling, among others.

AGI technology combines soil, environmental, and geographic data to track the impact of agricultural practices on environmental outcomes such as production efficiency, soil quality and carbon sequestration, greenhouse gas emissions, water quality, and other biodiversity outcomes.

In the United States, AGI is a key partner in four US Department of Agriculture (USDA) Climate-Smart Commodity Grants under their Partnerships for Climate-Smart Commodities Program. The grants accelerate the adoption of sustainable, climate-smart agricultural practices and support growers in fulfilling measurement, reporting, and verification (MRV) of project outcomes. AGI is supporting lead partners including America's Conservation AG Movement (Trust in Food), Edge Dairy, Sustainable Oils, and Gevo. AGI supports these projects by:

• Providing access to market-leading digital hardware (Farmobile PUC, BinManager) and software (SureTrack, Farmobile DataEngine software);

• Supporting with data collection/tracking, measurement, and analysis for farmers needing to fulfill MRV requirements; and,

• Providing technical support to guide the adoption of best practices and documentation of lessons learned.

AGI is also member of the Ecosystem Services Market Consortium and has a partnership with General Mills, where AGI provides producers with technology solutions and technical support to adopt sustainable practices and generate verifiable data.

The next pages provide a snapshot of our involvement in these initiatives.

AGI Digital's Sustainability Impact in 2023	
Number of external R&D collaborations focused on advancing the adoption of climate-smart agricultural solutions:	Total award value of AGI Climate-Smart Grants:
5	**USD$3M over 5 years**

Supporting US agricultural producers' adoption of regenerative practices and generating verifiable data to support General Mills' corporate sustainability goals

Lead Partners: Ecosystem Services Market Consortium (ESMC) and General Mills

Project Description: The ESMC's Eco-Harvest Program supports US and Canadian agricultural producers with the adoption and measurement of regenerative agricultural practices, such as cover crops and reducing tillage, and rewards agricultural producers for the achievement of beneficial environmental outcomes such as reduced greenhouse gases and improved water quality. General Mills is a key partner focused on scaling the program and plays a role in rewarding farmers for their quantified impact. The program supports General Mills' regenerative agriculture goals and 2030 commitments.

Timeline: Ongoing

AGI's Role: AGI is supporting US wheat producers in Kansas by providing producers with access to the market-leading technology, training, and data collection support required to verify their adoption of practices and quantify environmental outcomes. Data collected through the program is transferred to ESMC's third-party verification platform and will ultimately provide science-based and verified data to support General Mills' sustainability goals. AGI's role involves:

- Supporting producer identification, enrollment, and engagement including identifying and testing delivery models, sharing best practices, and documenting lessons learned;

- Supplying the hardware (AGI's Farmobile PUC) and software, delivering technical assistance, and leading the data collection, consolidation, and analysis process with participating producers; and,

- Collaborating with other program partners to validate and verify the ESMC process, protocols, and generated outcomes from producers' agricultural practice changes.

Preliminary Outcomes: The project recently completed a year of data capture and delivery with the following preliminary outputs:

- Area covered: AGI managed approximately 36,000 acres in 2023

- Number of Farmobile PUC technology devices supplied to producers: 50

Long-term intended outcomes of the Eco-Harvest Program include soil carbon sequestration, reduced greenhouse gas emissions, improved water quality, and other biodiversity outcomes.

Accelerating the adoption of sustainable biofuels with technology

Lead Partner: Sustainable Oils Inc., a subsidiary of Global Clean Energy Holdings Inc.

Project Description: This pilot project aims to accelerate farmer adoption of camelina to produce more plant-based feedstock for renewable biofuel. This involves measuring and validating the advantages of camelina in five regions in the United States through passive and geospatial data collection of production efficiency and the carbon intensity of biofuel generated.

Timeline: May 2023 – December 2027

AGI's Role: AGI is one of several key partners in the USDA Climate-Smart Camelina Grant and plays a key role in providing project participants with access to market-leading technology to track farm-level data and measure the carbon intensity and production efficiency of biofuel generated. AGI's role involves:

- Providing training and technical assistance to enrolled farmers
- Supplying the field-level (Farmobile PUC) and grain bin monitoring hardware (BinManager) and software required to measure and evaluate the advantages of camelina as a low-carbon, renewable fuel feedstock
- Leading the data collection and data delivery process to validate agricultural practice changes and measure their impact on environmental outcomes such as carbon sequestration

Preliminary Outcomes: The project recently completed a year of data capture and delivery with the following preliminary statistics:

- Number of Farmobile PUC technology devices supplied to producers: 70
- Number of BinManager technology devices supplied to producers: 15

Long-term intended outcomes of the project include increased soil health, increased carbon capture in soil, and reduced carbon intensity from camelina.

"The USDA Climate Smart Commodity Grant will help us better understand how we can drive camelina carbon intensity even lower by paying for performance rather than just paying for practice changes. AGI Farmobile is a key partner because it all starts with the data – recording what was done, when it was done and how it was done. The data from AGI is a foundational building block for our study. AGI (Farmobile PUC) data collection is color-blind, has independent data flow, and the team is great to work with."

Kevin Monk, Vice President of Sustainable Oils, Inc.

PRODUCT USER SAFETY

Goal

To offer products and services that exceed customer expectations on health and safety.

Our approach

Without exception, the safety of our employees and our customers is our top priority, and we continue to offer products and services that lead the market in this area.

AGI's products directly contribute to positive safety outcomes for our customers. The AGI Digital product line, including AGI's grain bin and machine monitoring technologies, supports the safety of our customers minimizing required entry to the bin. AGI's BinManager product allows farmers full visibility and monitoring of stored grain from a mobile device, avoiding the need for physical bin entry and provides remote visibility to grain conditions including automated alerts, remote control of aeration equipment, and automated in-bin conditioning capabilities. AGI hazard monitoring systems also continuously monitor hazardous work environments that may lead to fires, explosions, or safety-related incidents by detecting shaft speed, bearing temperature, belt misalignment, vibration, and grain bin temperature.

Across all our products, managerial responsibility for product user safety resides collectively with our Vice President of Global Product Management, Vice President of Global Engineering and Vice-President of Sales Execution, and is overseen by our Executive Vice-President of Global Operations. Our Global Product Management function is responsible for maintaining the integrity of products and standardizing engineering design processes across all portfolios globally. Our Global Engineering function, responsible for providing the standards and guidance for all engineers within AGI, includes our Product Safety and Compliance and technical publications teams who review and update product manuals in a timely manner. Regional leadership also holds the responsibility to ensure technical risks are recognized and identified and must escalate these risks to Global Engineering and Global Product Management. Our Sales Execution team is also responsible for developing design proposals for products that meet the functionality required by our customers and operate safely.

AGI has a formal Product Safety and Compliance Program to ensure we meet the standards and regulations for the markets in which AGI products are sold and used. The program involves documenting best practices and developing product guidelines focused on user safety including relevant technical information. Areas documented include incident investigations, risk assessments, compliance assessments, and consistency improvements.

Product hazard and risk assessments are in process for AGI products to help protect users and provide better equipment. Risk assessments are completed as part of the product design process. At the opportunity stage, a Technical Risk Assessment is completed to assign an initial risk level based off the AGI product being sold and the commodity type (product commodity risk). If the risk level is above a certain threshold, the opportunity must be submitted through the Technical Risk Review Process and must be approved by Global Engineering before quoting. A Technical Risk Summary and Plan must also be completed for projects that meet certain risk criteria. The full risk evaluation is completed by the VP of Global Product Management and VP of Global Engineering and is reviewed with the Leadership Team.

We take seriously our responsibility to educate AGI customers on the best practices in using our equipment and regularly conduct employee and customer training on product safety. Safety is a priority in all our customer training, and for AGI as a company. Investing in product safety training and awareness opportunities supports our customers' safety and is an additional value that we as an equipment supplier can bring to our customers. For example, we routinely offer safety courses and seminars for farmers and builders at several agricultural industry trade shows and conventions in North America, focused on best practices for safe bin building and measures to prevent grain engulfment. These courses are offered for free to any interested participants, leading to being an AGI-certified bin builder.

Our actions in 2023

Risk assessments

In 2023, we undertook a review and documented potential product safety risks, risk reduction methods used, and evaluated opportunities for safety improvements across AGI's current product catalog. This involved conducting risk assessments for over 15 core products. This Product Hazard and Risk Assessment is used to document potential product safety issues that could occur from use and situations of reasonably foreseeable misuse and how those risks have been reduced to an acceptable level. Product safety risks are those that can occur from operator interaction with the product or those that could result from a product failure. This risk assessment document may also be used to evaluate situations related to product reliability and risks limited to equipment damage or failure.

Product manuals

AGI products, when sold, are accompanied by a product manual with key safety guidance for our customers, with the goal of improving the safe use of AGI products. A key priority in 2023 was to review, update, and enhance product manuals. Over 200 product manuals were updated in 2023 and we developed a simple, clear, concept manual that will be used as a template for other product manuals going forward.

Training and awareness

In 2023, we continued to engage with our customers through industry trade shows, and increased our focus on offering employee and customer product safety training. The following are a few examples of the training courses provided to customers:

- AGI leaders presented at the Charla Technical webinar on July 4, 2023, on safety in equipment operations in silos and grain storage plants. The webinar was attended by approximately 285 people.

- We hosted full day training on "Fundamentals of Hazardous Dusts for Engineering and Technical Staff" at both our Naperville and Winnipeg offices. The training was facilitated by an external industry expert in hazardous dust safety. Nearly 100 AGI employees attended the training. With it, AGI is better equipped to advise our customers of potential hazards that could occur and how to prevent them.

- Improved industry awareness about grain storage and handling, and hazard monitoring. See the next pages for additional details.

Empowering the grain community with the latest storage and handling knowledge

As part of our ongoing commitment to empowering the grain community with the latest storage and handling knowledge, AGI Academy was created in 2022 to upskill our customers across a range of topics to effectively operate and manage their own grain storage facilities.

In September 2023, AGI Academy held their second annual Grain Training in Fochville, South Africa. This three-day experience provided grain professionals with comprehensive classroom learning and on-site training, focusing on grain storage and handling fundamentals, best practices, and innovation. The training content was developed and facilitated by AGI grain experts.

The Fundamentals of Grain Storage and Handling training has an overall goal of improving the effectiveness of participants' grain operations and ensuring safety in the day-to-day operations of their facilities. More specifically, the course aims to improve participants' awareness of:

• The requirements and understanding of the importance of preserving grain and what is relevant and needed for the successful storage of grain;

• The required and expected maintenance of the equipment, and all the components and facets of a silo storage and handling complex;

• The importance of the quality of the grain that is being stored and handled, and how to improve or preserve the quality by using the different components correctly, from the handling to the cleaning, drying, conditioning, storing, and blending; and,

• The underlying risks that are involved, the safety requirements of the silo operations, correct and acceptable procedures from lock out and tag out, to hot work permits and working at heights, as well as the dangers and prevention of engulfment.

Since the training academy was created in 2022, three formal training sessions have been offered. In future years, AGI plans to expand the grain fundamentals to additional customers in South Africa and is also developing additional training materials and course content including training to ensure AGI procedures and methods are followed in installation, as well as sales training for AGI agents and dealers.

"We received a lot of insightful information about the housekeeping and infestation, cleaning, maintenance, and risks associated with silo operations. I would recommend this training to all silo users or managers who want to be more efficient and effective in their day-to-day operations."

Simon Scott, Livestock Feed Limited Group, Mauritius

Driving industry awareness about hazard monitoring

The value of a good hazard monitoring system is that it can sense what humans can neither see nor smell. Beyond providing unparalleled equipment and facilities protection, AGI's CMC Hazard Monitoring product line and digital account team help commercial customers ensure the safety of their most valuable asset – people. Over 1,000 AGI CMC systems and more than 400,000 sensors are installed in commercial operations serving industry leaders in grain, feed, and fertilizer sectors.

In 2023, AGI collaborated with industry leaders to drive home the importance of safety and proper equipment maintenance through awareness initiatives.

> *"AGI's dynamic suite of digital hazard and operational monitoring systems is purpose-engineered to give customers confidence that their industrial machinery is operating properly in environments where there is a presence of combustible dust in the atmosphere. If left unchecked, a hot bearing or a misaligned conveyor belt can result in a process shutdown and costly machine damage. But the worst-case scenario is a safety incident. Our mission is to help customers prevent that."*

Blake Duden, AGI CMC Sales Director

With our **Road Map to HazMon Safety™** program, AGI partners with contractors, integrators, and facility managers to deliver operation-wide digital monitoring systems as well as inspections, site audits, and training for all sizes of facilities from small country elevators to major export terminals.

Last year, AGI trained more than 500 customer employees at safety events and demonstrated the benefit of hazard monitoring and risk mitigation during several trade shows. With the aid of a miniature bucket elevator model installed with a CMC system, AGI demonstrated: 1) why hazard monitoring matters, 2) how CMC systems are certified for safety, 3) the ease of installation, and 4) ways to inspect and use hazard monitoring for preventative maintenance, cost containment, energy efficiency, and safety.

Customer highlights

- **Bunge,** a global leader in agribusiness, food, and ingredients that is focused on incident prevention through safety leadership at all levels, hosts an Annual Bin Safety Week. AGI's Blake Duden, Collin Ryan, and Steve Nenonen joined the 2023 Environmental Health and Safety Workshop to educate employees on how CMC HazMon systems, installed across Bunge operations, monitor material handling equipment and prevent dust explosions in OSHA-regulated environments.

- **Agtegra,** an agricultural cooperative owned by over 6,700 farmers and ranchers in North and South Dakota, asked AGI to take part in a multi-day safety event at its learning centre to educate staff from its 70-location network. During small group sessions, AGI showed how CMC sensors monitor temperature and shaft rotation providing an immediate warning and, if needed, machinery shutdown, to protect plant operators and operations.

- **Alltech,** which develops agricultural products for use in livestock, crop, and food industries, hosted an on-site event at its Ft. Worth, Texas feed mill. AGI provided hands-on hazard monitoring training to staff members.

At the 2023 Grain Elevator and Processing Society meeting, Mike Hand, AGI's VP North America Commercial Sales, helped to drive industry awareness about hazard monitoring during interviews with John Reidy, Digital Media Senior Editor, Sosland Publishing and Susan Reidy, Associate Editor of World Grain and Editor of the Grain and Milling Annual.

Product compliance

In collaboration with AGI's Global Supply Chain function, we are developing processes to collect product compliance-related information required under the European Union's Restriction of Hazardous Substances Directive (RoHS) and Registration, Authorization, and Restriction of Chemicals Regulation (REACH), and Per- and Polyfluoroalkyl Substances (PFAS) regulation.

Incident reporting

To monitor performance on product safety, we developed a product incident reporting application to monitor incidents and product safety performance. This is accompanied by a detailed product incident investigation operating procedure. The application will be rolled out in 2024 and the number of incident investigations conducted will be tracked.

Standards development and external committee participation

AGI is involved in product standards development including in Canada, US, and internationally. We are also involved with Product Safety committees at the Association of Equipment Manufacturers and support the Canadian Agricultural Safety Association.

Next steps

In addition to rolling out the product incident reporting application, in 2024 we plan to continue to enhance product manuals, increase accessibility of product safety information for our customers on our website, and offer internal/external training and awareness sessions on product safety including on the topics of stairs, ladders, and guardrails, and hazard monitoring.

ESG DATA SUMMARY

The following table summarizes key annual performance data across AGI's material topics, where available. AGI will continue to review and adjust the indicators as necessary based on the appropriateness and relevance of the indicators to AGI's sustainability strategy and in line with evolving ESG disclosure standards.

TOPIC	INDICATOR	TARGET (If available)	2023	2022	2021	PROGRESS [1]
WORKER HEALTH AND SAFETY	Total Recordable Incident Rate (TRIR)	20% reduction in 2023, compared to 2021	2.48	4.35	6.35	+
	Lost Time Incident (LTI) Rate	15% reduction in 2023, compared to 2021	0.50	0.69	1.08	+
	Total Near Miss, Hazard Fixes, and Property Damage Reports	Target set at facility level (30% of plant bonus tied to number of near miss reports and number of hazard fixes)	4,900	743	335	+
	Fatality Rate	0	0	0	0	+
DIVERSITY & INCLUSION	Board Diversity % (Women)	25%	30% (3/10)	30% (3/10)	33.3% (3/9)	+ (Continues to be above target)
	Executive Officer Gender Diversity %	---	30%	25%	0%	+
	Percentage of Employees that have Completed Unconscious Bias Training	100%	75% (Director-level employees)	100% (Leadership Team)	N/A	N/A
ENERGY USE & MANAGEMENT	Total Energy Consumption (GJ)	---	475,220	425,585	399,975	- (See positive trend in Energy Intensity indicator)
	Energy Intensity (Energy Consumed per $1,000 in Revenue by Year)	---	0.3266	0.3223	0.3545	+
	Percentage (%) Grid Electricity	---	27.9%	28.6%	32.8%	-
	Percentage (%) Renewable Energy	---	Future metric to be tracked			
WATER EFFICIENCY & MANAGEMENT	Total Water Consumption (cubic meters)	---	85,518	78,817	77,209	- (See positive trend in Water Intensity indicator)
	Water Intensity (Water Consumed per $1,000 in Revenue by Year)	---	0.0583	0.0559	0.0679	+
	Recycled Water (%)	---	8.99	8.82	4.21	+

[1] This column represents the trend in year-over-year progress between 2021 and 2023.

TOPIC	INDICATOR	TARGET (If available)	2023	2022	2021	PROGRESS [1]
GHG EMISSIONS	Total Scope 1 Emissions (tonnes of CO_2 equivalent)	---	20,142	19,287	19,409	- (See positive trend in GHG Emissions Intensity indicator)
	Total Scope 2 Emissions (tonnes of CO_2 equivalent)	---	11,889	12,121	12,739	+
	Total Scope 1 and 2 Emissions (tonnes of CO_2 equivalent)	---	32,032	31,408	32,148	+
	Total GHG Emissions Intensity (Scope 1 and 2 GHG Emissions per $1,000 in Revenue by Year)	25% reduction in Scope 1 and 2 GHG emissions intensity in 2030, relative to a 2021 baseline	0.0210	0.0215	0.0268	+
GOVERNANCE, ORGANIZATIONAL EFFECTIVENESS AND EMPLOYEE SKILLING	Number of Independent Board Members	---	9	8	7	N/A
	Employee Engagement Survey Participation Rate	>80%	63%	N/A	N/A	N/A
	Employee Engagement Score	>80%	89%	N/A	N/A	N/A
	Total Workforce Composition	---	4,996	4,987	4,258	N/A
ETHICAL CONDUCT	Annual Ethics Confirmation Completion[2]	100%	Future metric to be tracked			
	Anonymous and Confidential Reporting Mechanism Established (Y/N)	Yes	Y	Y	Y	+
LEGAL RISK MANAGEMENT	Anti-Bribery and Anti-Corruption Training Completion[2]	100%	Future metric to be tracked			
RESPONSIBLE SUPPLY CHAIN	Supplier Ethics Policy Established (Y/N)	Yes	Y	Y	N	+
PRODUCT & SERVICE EXCELLENCE	Percentage of Facilities covered by a Quality Management System certification	---	23% (7 of 30 manufacturing sites)	16% (5 of 31 manufacturing sites)	N/A	+
	Number of AGI employees who have completed lean/Green Belt training	---	179	132	N/A	+
PRODUCT USER SAFETY	Number of Product Safety Risk Assessments Conducted	---	20	5	N/A	+
	Number of Safety Training/Awareness Sessions (Internal or External) Delivered on Product Safety	---	10	3	N/A	+

[1] This column represents the trend in year-over-year progress between 2021 and 2023.

[2] Completion rates will be tracked for applicable employee groups.

APPENDIX

ADVISORIES

We have taken care to ensure the information in this document is accurate. However, the data presented in this document includes aspirational goals, approximations and estimates, which will differ from actual results, and is for informational purposes only. We disclaim any liability whatsoever for errors or omissions. Further, some of the information in this document may have been disclosed previously in other AGI public disclosure, and such disclosure is not intended in any way to be qualified, amended, modified or supplemented by information herein.

"Material" may be used within this document to describe topics for voluntary sustainability reporting that are considered to have the potential to significantly affect sustainability performance in our view and may be important in the eyes of internal or external stakeholders. However, "material" for the purposes of this document should not be read as equating to any use of the word in other AGI public reporting or filings.

With this document, we hope to increase your knowledge of AGI and our operations. However, this document does not provide investment advice, and readers are responsible for making their own financial and investment decisions.

There is no single standard system that applies across companies for compiling and calculating the quantity of greenhouse gas emissions and other sustainability metrics attributable to our operations. Accordingly, such information may not be comparable with similar information reported by other companies. Our GHG emissions data is derived from various internal reporting systems that are generally different from those applicable to the financial information presented in our consolidated financial statements and are, in particular, subject to less sophisticated internal documentation as well as preparation and review requirements, including the general internal control environment. GHG emissions are calculated in line with the GHG Protocol. We may change our policies for calculating these GHG emissions and other sustainability metrics in the future without prior notice.

This document includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by AGI to be true. Although AGI believes it to be reliable, it has not independently verified any of the data from third party sources referred to in this document or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. AGI believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this document are not guaranteed and AGI makes no representation as to the accuracy of such information.

This document contains certain forward-looking information – that is, information related to future, not past, events and circumstances – which may relate to our strategies, focus, goals, ambitions, aims, targets, plans, objectives, operations, results and financial performance. The use of any of the words "target", "goal", "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "potential" and similar expressions are intended to identify this forward-looking information.

Forward-looking information involves risk and uncertainty because it relates to events and depends on circumstances that will or may occur in the future and are outside of our control. Statements containing forward-looking information are only predictions. Actual results or outcomes may differ from those expressed in such statements. Although we believe that the expectations reflected in the forward-looking information are reasonable, we cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results to differ materially from those expressed or implied in any forward-looking information contained in this document.

More particularly and without limitation, this document contains forward-looking information regarding the following: AGI's business plans, objectives, priorities and strategy; that AGI is in a unique position to support resilient food systems, sustainable agriculture and climate action; AGI's target of reducing our Scope 1 and 2 GHG emissions by 25% by 2030 as against our 2021 baseline; expectations with respect to improving our energy efficiency and reduction of our GHG emissions based on investments in certain technologies and the closure and consolidation of certain of our facilities; AGI's primary focus areas under our sustainability framework (being people-well being, sustainable manufacturing, responsible conduct and compelling solutions) and the applicable goals and targets related thereto; our anticipated next steps with respect to people-well being, including that in 2024 we will continue to drive hazard and near miss reporting and develop safety targets for all plants; our expectation that our enhanced programs and processes regarding D&I will help us to recruit and retain the best possible talent; our anticipated next steps with respect to D&I, including applicable D&I training to be offered in 2024, our plans to measure the effectiveness of such training, and our intention to conduct a pay equity analysis starting in North America; our expectations to continue to identify and evaluate opportunities to reduce energy consumption from our operations and that certain innovations in manufacturing will result in improvements in AGI's energy use and ultimately AGI's emissions; the potential expanded use of renewal energy such as solar in AGI's operations; our intention to formally incorporate energy-related investments commencing with capital budgets for 2025; our anticipated next steps with respect to the reduction of GHG emissions, including that we intend to develop a detailed

decarbonization plan that will guide our efforts and initiatives in 2024 and beyond, and that we roll out select initiatives including a fuel card program across North America; our goal to track and minimize water consumption and manage water discharge and identify further opportunities and initiatives to reduce our water consumption, enhance water recycling, and build awareness on water use; our goals and targets with respect to governance, organizational effectiveness and employee skilling, including targets for our Employee Engagement Survey Participation Rate and Employee Engagement Score; our Board diversity targets; our anticipated expansion of employee training opportunities; our goal to empower our workforce with policies and resources to ensure ethical business practices; our expected next steps with respect to ethical conduct; our goals and expected next steps with respect to legal risk management; our goal to develop supply chain infrastructure to ensure continuity without business interruptions; our expected next steps with respect to supply chain continuity, including standardizing global and regional processes, broadening training for employees, and deploying AGI's centralized ERP system; our goal to manage risks in AGI's supply chain related to our suppliers; future engagement with suppliers, assessment of applicable supplier risks and our intention to track supplier ESG performance; our goals and targets regarding data security and governance and applicable anticipated next steps, including our aim to enhance resilience against cyber risks, safeguard critical assets and ensure uninterrupted operations by engaging with third-party experts; our goal to offer products and services that exceed customer expectations for quality, durability, and reliability; our intention to identify ways to reduce use-phase energy consumption and the carbon footprint from our existing and new products; our goal to improve and upgrade our products and technologies to exceed customer requirements; our anticipated next steps with respect to technology and invitation, including planned R&D projects and opportunities for innovation in manufacturing; expectations regarding AGI Digital and applicable partnerships with third parties; goals for product safety, including our plans to enhance product manuals, increase accessibility of product safety information for our customers, and offer internal/external training and awareness sessions on product safety; the climate-related risks, applicable potential financial impacts and mitigation approaches as described in our 2023 TCFD report; the climate related opportunities and the applicable potential benefits to be derived therefrom as described in our 2023 TCFD report; various matters described in our 2023 SASB Index, including our development of methodologies to calculate the fuel efficiency and emissions of AGI augers and conveyors and that we are standardizing a process to track revenue from remanufactured products and services; and our proposed future sustainability programs, practices, initiatives, strategies, goals, plans and reporting and the impact and timing thereof.

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding and are implicit in, among other things: our ability to continue to implement and the success of our sustainability programs, practices, initiatives and plans, the timing thereof and the impact on AGI achieving its goals and targets relating thereto; our ability to improve the energy intensity of our manufacturing operations; our ability to manage and reduce our energy consumption; our ability to reduce our water consumption and achieve our other goals in respect of water use; our ability to reduce GHG emissions and GHG emissions intensity; our ability to execute our risk management strategies; the availability of the capital, labour and services required to successfully implement our sustainability programs, practices, initiatives and plans on the timetable anticipated and to achieve our related goals; the cost to implement and maintain our sustainability programs, practices, initiatives and plans; our ability to successfully partner with third parties to implement our sustainability programs, practices, initiatives and plans, as applicable; the availability of renewable energy such as solar in the areas that we operate; our ability to successfully implement our D&I, employee training and other people-well being related programs, practices, initiatives and plans; our ability to engage with our suppliers and address applicable ESG related risks in our supply chain; our ability to successfully advance and/or implement technology and innovation into our operations; our ability to engage with our customers with respect to product user safety; matters relating to the climate-related risks and opportunities as disclosed in our 2023 TCFD report, including the time horizon for such risks and opportunities materializing, our ability to mitigate such risks and realize such opportunities, and their applicable impacts on AGI; the sufficiency of budgeted capital expenditures in carrying out planned sustainability activities; the general stability of the economic and regulatory environment in which AGI operates; the timely receipt of any required regulatory and third-party approvals; and the ability of AGI to successfully market its sustainability linked products and services.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used. Although AGI believes that the expectations and assumptions on which the forward-looking information are based are reasonable, undue reliance should not be placed on the forward-looking information because AGI can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties, most of which are beyond our control. Actual results could differ materially from those currently anticipated due to a number of risks and uncertainties.

These risks and uncertainties include, but are not limited to: the risk that we are unable to implement our sustainability programs, practices, initiatives and plans in part or in full and/or on the anticipated timetable and/or that they are not successful in accomplishing our sustainability goals; the risk that we are unable to improve the energy intensity of our manufacturing operations materially or at all; the risk that we are unable to reduce our energy consumption materially or at all; the risk that we are unable to reduce our water consumption materially or at all and/or achieve our other goals in respect of water use; the risk that we are unable to reduce GHG emissions and/or GHG emissions intensity materially or at all; the risk that we are unable to execute our risk management strategies; the risk that the capital, labour and/or services required to successfully implement our sustainability programs, practices, initiatives and plans are not available in part or at all and that as a result we are unable to achieve our sustainability goals on the anticipated timetable or at all; the risk that the cost to implement and maintain our sustainability programs, practices, initiatives and plans is higher than currently anticipated or subsequently increases such that the implementation and/ or maintenance of one or more of such sustainability programs, practices, initiatives and plans becomes uneconomic; the risk that we determine to allocate our financial, managerial and/or operational resources to priorities other than the achievement of our sustainability goals due to factors outside of our control or otherwise, including due to a deterioration in general economic conditions, a deterioration in AGI's financial position and/or performance, the onset (or continuance) of a global pandemic, or that AGI incurs material financial liabilities as a result of remediation costs and/or equipment rework and/or litigation; the risk that we may not be able to successfully partner with third parties to implement our sustainability programs, practices, initiatives and plans, as applicable; the risk that suitable sources of renewable energy such as solar may not be available in certain areas in which we operate or at all; the risk that climate-related opportunities as disclosed in our 2023 TCFD report do not materialize as anticipated or at all; and the risk that we may not be able to successfully mitigate the climate-related risks as disclosed in our 2023 TCFD report and/or that the impact of such climate related risks is greater than anticipated; general economic and business conditions and changes in international, national and local macroeconomic and business conditions, as well as sociopolitical conditions in certain local or regional markets, any of which impedes our ability to pursue or achieve our sustainability plans or goals; actions taken by governmental authorities, including increases in taxes or changes in government regulations and/or incentive programs, any of which impedes our ability to pursue or achieve our sustainability plans or goals; dependence on suppliers, including with respect to addressing ESG related risks in our supply chain.

These and other factors, assumptions, risks and uncertainties that could influence actual results are described in more detail in AGI's most recently filed annual information form (the "AIF") and annual and quarterly financial statements, management's discussion and analysis (collectively, the "MD&As"), and other documents we file from time to time with securities regulatory authorities. The AIF, financial statements, MD&As and other documents we file from time to time can be accessed on our website at www.aggrowth.com or under AGI's profile on SEDAR+ at www.sedarplus.ca.

We have included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide readers with an understanding of our future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking information are made as of the date of this document and AGI disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. The forward-looking information contained in this document is expressly qualified by this cautionary statement.

GLOSSARY OF TERMS

AEM	Association of Equipment Manufacturers
ASMS	AGI Safety Management System
B	Billion
Board	Board of directors of AGI
C$ OR $	Canadian dollars
CO$_2$	Carbon dioxide
CH$_4$	Methane
DE&I	Diversity, equity and inclusion
D&I	Diversity and inclusion
DOT	United States Department of Transportation
EAF	Electric arc furnace
EMEA	Europe, Middle East and Africa
ESG	Environmental, social and governance
ESMC	Ecosystem Services Market Consortium
ERP	Enterprise resource planning
EU	European Union
GHG	Greenhouse gas
GJ	Gigajoules
G&S Committee	The Governance & Sustainability Committee of the Board
HR	Human resources
HRIS	Human resources information system
ISO	International Organization for Standardization
IT	Information technology
LTI	Lost Time Incident
M	Million

MSSP	Managed Security Service Provider
MT	Metric ton
MWh	Megawatt-hour
m^3	Cubic meter
N$_2$O	Nitrous oxide
OSHA	United States Occupational Safety and Health Administration
PPE	Personal Protective Equipment (PPE)
QMS	Quality management system
R&D	Research and development
SASB	Sustainability Accounting Standards Board
Scope 1 emissions	Direct emissions from owned or controlled sources
Scope 2 emissions	Indirect emissions from the generation of purchased energy
Scope 3 emissions	All indirect emissions (not including Scope 2 emissions) that occur in the value chain of the reporting company
SDGs	Sustainable Development Goals
tCO$_2$e	Tonnes of carbon dioxide-equivalent
TCFD	Task Force on Climate-Related Financial Disclosures
TRIR	Total Recordable Incident Rate
TSX	Toronto Stock Exchange
UN	United Nations
USD$	United States dollars
USDA	United States Department of Agriculture
VOC	Volatile organic compound
YOY	Year-over-year
~	Approximately

2023 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT

Introduction

We are pleased to present this inaugural report aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and recommendations, which were recently incorporated in the International Sustainability Standards Board (ISSB) standards. The terms "AGI", "we", "us" and "our" refer to Ag Growth International Inc., and where the context requires, also means our controlled entities on a consolidated basis.

This report describes AGI's oversight of climate-related risks and opportunities, the key risks and opportunities that may impact our business, and our approach to managing these risks and opportunities.

In 2023, we focused our efforts on aligning our practices with the recommendations of the TCFD. Our key activities included:

• Forming an executive-level, cross-functional climate working group;

• Identifying the climate-related risks and opportunities facing our business, including understanding the impact of these risks on our strategy and planning processes; and,

• Developing internal processes to collect information about our Scope 1 and 2 emissions across our global facilities and establishing a target to reduce the GHG emissions intensity from our operations.

The following sections describe our approach to climate risk governance at the Board and management levels and provide details on the climate-related risks and opportunities most impactful to AGI. They also describe how climate risks are incorporated in overall enterprise risk management processes and summarizes the metrics and targets used to assess climate-related risks and opportunities.

Governance

Board oversight of climate-related risks and opportunities

Our Board of Directors brings a diverse set of experience including several members with expertise in sustainability and climate-related matters. The Governance & Sustainability (G&S) Committee of the Board serves as the lead for sustainability and ESG oversight, which includes oversight of climate-related risks and opportunities. The G&S Committee is informed about climate-related issues and performance on a bi-annual and as needed basis. Going forward, the G&S Committee will oversee progress against established climate goals and targets on a regular basis. The G&S Committee informs the Board about climate-related performance, and subsequently the Board considers these issues in overseeing the organization's strategy, policies, strategic capital expenditures, and organizational performance. The G&S Committee also has oversight of climate-related risks and opportunities through overall Enterprise Risk Management Program oversight.

Management's role in assessing and managing climate-related risks and opportunities

Our President & CEO as well as our CFO provide executive-level oversight of all material risks and opportunities facing the organization and are informed about climate-related issues and opportunities through regular updates. The Global Sustainability corporate function is responsible for the development and execution of AGI's sustainability strategy, including AGI's approach to measuring and managing GHG emissions. This includes managing the data collection and reporting process across all global locations. The Global Sustainability function collaborates closely with functional and regional leaders to implement action plans, track progress, and report on performance. The Global Sustainability function reports to AGI's Leadership Team and the G&S Committee of the Board. Climate-related risks and opportunities are regularly monitored by the Global Sustainability function.

To support the identification, analysis, management, and reporting of climate-related risks and opportunities, an executive-level working group (TCFD Working Group) was formed. The TCFD Working Group is comprised of leaders from key functions across AGI including Legal, Global Manufacturing, Internal Audit, Global Supply Chain, and Global Product Management. The TCFD Working Group is chaired and facilitated by our Global Sustainability function. Overall, the management of risks, including climate-related ones, is integrated across AGI's business. The Enterprise Risk Management Program provides additional attention to identify, assess, manage, and monitor key risks to the business.

Strategy

Climate-related risks and opportunities AGI has identified over the short, medium, and long term and the impact of climate-related risks and opportunities on the AGI's businesses, strategy, and financial planning

Over the course of several months, the TCFD Working Group identified a list of key climate-related risks and opportunities most impactful to AGI over the short, medium, and long term. This section summarizes the results of that exercise, including the type, time horizon, potential financial impacts, and our current management or mitigation approach for each risk or opportunity. As appropriate, we describe the areas of our business that are most likely to be impacted by the risk or opportunity, such as key regions, business functions, or parts of the value chain (e.g., supply chain). We used AGI's ERM framework to assess the potential impact of each risk and opportunity.

The following time horizons were identified by AGI:

- Short term: 1-5 years
- Medium term: 6-10 years
- Long term: 11-30 years

Physical Risks

Physical climate risks can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods. Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves. AGI's exposure to physical climate risks has been identified using publicly available data sets.

1. **Severe weather event (e.g., flood, tornado, wildfire) affecting AGI's manufacturing locations/facilities/offices.**

Risk Type: Acute

Description: AGI has manufacturing, warehouse, and office locations all around the world, including in locations that are at risk of acute climate risks, which refer to severe weather events such as floods, tornados, or wildfires. While many AGI sites are not at a high risk of physical climate risk exposure, some of our facilities are in locations that face a risk of different types of weather events and therefore their business operations could be impacted should they be directly affected by a weather event. For example, in the United States, AGI facilities in the Midwest region are the sites with the highest risk ratings for natural hazards and are most vulnerable to tornado, strong winds, ice storm, and hail risk, based on the US Federal Emergency Management Agency's National Risk Index for Natural Hazards. Other AGI locations are vulnerable to flood risk including Canadian facilities in Manitoba, Ontario, and Prince Edward Island and our AGI EMEA sites in Italy, according to data from the World Resources Institute Water Risk Atlas. Severe weather events could result in plant shutdowns and failure to appropriately plan for these physical risks may impact production capacity and operations.

Time Horizon: Medium term

Impact: Moderate

Potential Financial Impact(s):

• Increased operating costs

• Reduced sales at impacted facilities

Mitigation Approach: AGI's approach to product standardization will expand capabilities across regions and increase AGI's overall diversification, helping to mitigate any potential impacts from severe weather events in specific locations. In the event a manufacturing plant is affected by a weather event, AGI has mechanisms in place to respond including potential for temporary reallocation of manufacturing activities to a plant with similar functions. AGI has insurance available for climate-related events. We continue to monitor physical risks, and environmental and climate-risk considerations are incorporated in strategic planning decisions.

2. **Long-term changes in weather patterns affecting AGI.**

Risk Type: Chronic

Description: Chronic risks, which refer to long-term changes in global weather patterns such as sustained higher temperatures, may lead to higher operating costs at AGI facilities. For example, heat waves may lead to increased energy costs to keep AGI manufacturing facilities cool and may also impact the health and safety of AGI employees and contractors. Droughts in areas where AGI operates may also lead to higher operating costs and pressure on the water supply used in production processes. AGI's India, Brazil and EMEA locations face a medium-high or high risk of drought, according to the World Resources Institute's Water Risk Atlas. Some locations in Canada also face a medium risk of drought. Droughts also have the potential to impact AGI customers' crop yields in these regions, which may influence farmer spending during certain seasons.

Time Horizon: Medium term

Impact: Low

Potential Financial Impact(s):

• Reduced demand and sales for products

• Increased operating costs

• Reputational impacts from any workforce impacts

Mitigation Approach: AGI has a diversified business strategy and operations across grain, feed, fertilizer, seed, and food. With 30 manufacturing facilities in six countries and sales activity worldwide, AGI's global presence and demand may offset any impacts of localized changes in weather patterns. AGI also has facility-level initiatives in place to manage our energy use and water consumption, particularly in high water stress locations. To protect our employees from weather-related impacts and identify hazards, AGI has policies, systems, and appropriate personal protective equipment (PPE) in place.

Transition Risks

Transition risks refer to the policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

3. Increased climate-related regulations (e.g., carbon tax) imposed on AGI.

Risk Type: Policy and Legal

Description: Recent years have seen new climate-related regulations introduced in several jurisdictions. One example is the introduction of carbon-pricing mechanisms. AGI is currently subject to paying a federal carbon tax on the purchase of fuels used by stationary and mobile equipment in Canada. In the future, an increase in the carbon tax ($ per tonne of CO_2 or equivalent) is expected, which will lead to increased operating costs for AGI. There is also a potential that a carbon tax is introduced in other jurisdictions where AGI operates, such as at the state-level in the US.

Time Horizon: Short term

Impact: Low

Potential Financial Impact(s): Increased operating costs

Mitigation Approach: AGI actively monitors new and changing climate and GHG reporting regulations including the impact on our financials and engages with regional leaders to understand regional-level impacts. We are preparing for potential new requirements by developing key processes and controls to measure and report AGI's GHG emissions. We are also developing a decarbonization plan to reduce our GHG emissions.

4. Increased costs (R&D, capital expenditures) to transition to a lower carbon economy.

Risk Type: Technology

Description: The technology required to transition to a lower-carbon economy would require investment and may result in higher operating costs for AGI. This may include internal investments in facility-level equipment or technology and product development. Investments in lower-emission sources of stationary or mobile equipment used in AGI manufacturing processes to electric equipment may increase operating costs for AGI, such as through increased maintenance costs or a higher cost of electricity. Product-related research and development to develop and/or expand the production of low emission products may also lead to increased costs for AGI.

Time Horizon: Medium term

Impact: Moderate

Potential Financial Impact(s): Increased capital investment or increased operating costs

Mitigation Approach: AGI conducts financial analysis on potential decarbonization opportunities including identifying return on investment (ROI) and payback period, to assess the opportunities with the highest return on investment and reduction potential. Regular engagement with product managers and plant managers across AGI facilities is undertaken to identify opportunities and available incentives or tax credits to support investments in low-carbon technology.

5. Inability to manage an increase or fluctuation in the cost of raw materials.

Risk Type: Market

Description: Fluctuations or increases in the cost of raw materials used in manufacturing may lead to increased production costs for AGI, particularly for inputs from carbon-intensive sectors. For example, there is a risk that the cost of steel may rise because of supplier decarbonization efforts (e.g., steel producers shifting from blast furnaces to electric arc furnaces) and/or from the introduction of new climate-related regulations (e.g., carbon pricing) imposed on suppliers in certain jurisdictions. As new pressures and/or new regulations are introduced, there is a risk that these cost increases will become more prevalent and lead to higher production costs for AGI.

Time Horizon: Medium term

Impact: Moderate

Potential Financial Impact(s): Increased production costs

Mitigation Approach: AGI regularly monitors price fluctuations and impacts including changes in the price of steel and the introduction of new regulations that may impact the cost of raw materials. We are positioned to respond to these impacts, and we maintain supply chain continuity through supplier segmentation efforts. This includes multiple supply agreements to achieve supply security and flexibility and regular review meetings with key suppliers. We have a proven ability to manage and mitigate any cost escalations.

Opportunities

6. Energy-efficiency improvements at AGI manufacturing facilities.

Risk Type: Resource Efficiency

Description: We recognize that we have a key opportunity to make energy-efficiency improvements across our manufacturing locations and in production processes. This may include changes in behaviours, the installation of LED lighting, and other building or equipment upgrades such as heating, ventilation, and cooling optimization, or other preventative maintenance. This may also include using alternative sources of energy, identifying opportunities to use renewable energy sources, or electrifying our manufacturing equipment.

Time Horizon: Medium term

Impact: Moderate

Potential Financial Impact(s): Reduced operating costs

Mitigation Approach: We are developing a decarbonization plan that prioritizes initiatives with high GHG emissions reduction potential and ROI, including prioritizing energy-efficiency improvements at our sites. We review capital expenditures opportunities targeting energy-efficiency in our budgeting process. We work with leaders across AGI facilities to include energy-efficiency initiatives in future capital plans and budgets. In addition, we are developing an approach for the ongoing monitoring of the impact of these initiatives on energy consumption and greenhouse gas emissions.

We have a lean/Green Belt program which focuses on efficiency improvements across AGI sites and have placed a high importance on awareness building activities focused on energy management with our facility leaders. Going forward, we plan to conduct future training on energy management to equip leaders to be able to independently identify and implement energy-efficiency improvements at their locations.

7. Advance customer's sustainability objectives through AGI's digital products/services.

Risk Type: Products/Services

Description: AGI continues to support farmers as they adopt new practices, measure their environmental impact, and achieve farm-level sustainability and traceability objectives. AGI has the hardware and software required to support data capture across farming practices and grain storage conditions (e.g., temperature, moisture, soil quality). AGI solutions therefore allow farmers to meet some of the measurement, reporting, and verification requirements regarding greenhouse gas emissions and mitigation. If demand for these types of products and services grows, this would provide an opportunity for new partnerships and to expand AGI Digital products that focus on bin and field-level monitoring (e.g., BinManager, Farmobile PUC) into new markets.

Time Horizon: Medium term

Impact: Moderate

Potential Financial Impact(s): Increased demand/revenue and/or increased competitive position

Mitigation Approach: AGI Digital is actively involved in several key partnerships and collaborations where AGI is providing farmers with access to technology and technical assistance to meet their sustainability objectives. AGI continues to identify long-term opportunities to build on success from pilots to scale projects.

8. Changing customer preferences towards more sustainable agricultural equipment and solutions.

Risk Type: Products/Services

Description: To reduce their energy consumption and save energy costs, customers are increasingly seeking products that are more energy efficient, lower-emission, and developed with more sustainable input materials. This shift may accelerate as a result of regulatory impacts (e.g., a carbon tax imposed on customers), or a change in customer attitudes and behaviour. For example, portable handling equipment such as augers that can be powered by electric motors and energy-efficient grain dryers could see an increase in demand if regulatory changes provide a stronger incentive for these types of product features.

Time Horizon: Medium term

Impact: Moderate

Potential Financial Impact(s): Increased revenues from increased demand and/or increased competitive position

Mitigation Approach: We have a strong understanding of our customers' current needs and preferences and conduct regular market surveys for key segments. We are currently developing products that meet customer needs to consume less energy, such as our NECO dryers. In addition, we continue to broaden our understanding of customers' future needs around low emission agriculture equipment and solutions. We are working with suppliers to understand environmental considerations with current production inputs and to identify future opportunities to embed sustainability criteria into purchasing decisions.

Resilience of AGI's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

As described above, the identified climate-related risks and opportunities, if manifested, could have a potential impact on AGI's strategy, financial performance (e.g., increased revenues or increased operating costs), or financial position (e.g., assets). In the future, AGI may conduct a robust scenario analysis to consider the impact of different climate-related scenarios such as a transition to a low-carbon economy consistent with a 2°C or lower scenario, or scenarios with increased physical climate-related risks on our strategy.

Risk Management

AGI's processes for identifying, assessing, and managing climate-related risks and integration into overall risk management

Climate-related risks and opportunities identified as most impactful for AGI were identified and prioritized by the TCFD Working Group in two workshops.

The first workshop focused on providing an overview of the TCFD recommendations and reviewing an initial list of 29 climate risks and opportunities, including 17 risks and 12 opportunities. These risks and opportunities were informed by external desktop research, reviews of disclosures from peers in the industrial machinery and goods sector, and industry best practice and guidance. A ranking process was used to determine the risks and opportunities most impactful to our strategy and planning processes, considering AGI's financial materiality threshold when assessing the material impact of each risk. A subset of five risks and three opportunities were prioritized.

In the second workshop, AGI's enterprise risk management risk rating scales were applied to the prioritized list of risks and opportunities and were used to assess the impact and potential likelihood of each.

AGI's approach to mitigating or managing each risk or opportunity is unique to each respective risk or opportunity, as described above. The working group discussed efforts to manage the risk or opportunity and future priorities to increase our preparedness to respond to each. We intend to review these risks and opportunities regularly for continued relevancy, including how external factors may influence their likelihood or impact. Enterprise-level climate-related risks are identified and assessed annually in AGI's overall enterprise risk inventory and process.

Metrics and Targets

The metrics used to assess climate-related risks and opportunities in line with AGI's strategy and risk management process

The key metrics used by AGI to measure and manage climate-related risks and opportunities are our Scope 1 and Scope 2 greenhouse gas emissions. In 2022, we completed an initial baseline of AGI's GHG emissions for the 2021 year and continue to track annual GHG emissions across our global manufacturing and warehouse locations.

In addition to measuring our direct and indirect GHG emissions, we track performance on other material environmental topics including energy and water. Performance against these metrics is described in the ESG Data Summary of our 2023 Sustainability Report. We are in the process of defining other related metrics to assess climate-related risks and opportunities in the future, such as the total capital expenditures on climate-related opportunities, or revenue from products or services designed for a low-carbon economy.

Scope 1 and Scope 2 greenhouse gas (GHG) emissions, and the related risks

AGI's annual Scope 1 and Scope 2 GHG emissions are calculated in line with the GHG Protocol methodology. Annual emissions data for each Scope and for Scope 1 and 2 combined is included in the table below, for the last three years.

	2023	2022	2021
SCOPE 1 (tCO$_2$e)	20,142	19,287	19,409
SCOPE 2 (tCO$_2$e)	11,889	12,121	12,739
SCOPE 1 AND 2 TOTAL (tCO$_2$e)	32,032	31,408	32,148

The targets used by AGI to manage climate-related risks and opportunities and performance against targets

AGI established the following target to manage climate-related risks and opportunities:

• Reduce Scope 1 and 2 GHG emissions (tCO$_2$e) intensity by 25% by 2030, compared to a 2021 baseline year.

This target will allow us to assess future greenhouse gas emissions performance, for disclosure in future sustainability reports.

AGI 2023
SASB INDEX

AGI background

AGI is committed to sustainable business practices. Our products and services are designed to help reduce post-harvest losses and spoilage of grain through proper handling, aeration, conditioning, storage, and monitoring. This naturally aligns AGI with critical food supply issues and global sustainability objectives. Building on this foundation, we are further enhancing our sustainability efforts. AGI's sustainability strategy is centered around four focus areas: people well-being, sustainable manufacturing, responsible conduct, and compelling solutions.

Our 2023 SASB Index is our second disclosure aligned with SASB disclosure topics and accounting metrics as defined for the Industrial Machinery & Goods sector and applicable to AGI's business.

Disclosure topics and accounting metrics

Energy

Our production facilities consume energy building heat, metal fabrication, and supplementary manufacturing processes required to create AGI products. We strive to measure and improve the energy intensity of our manufacturing operations.

SASB CODE	METRIC	UNIT OF MEASURE	2023 DISCLOSURE
RT-IG-130A.1	Total energy consumed	GJ	475,220 at our manufacturing facilities globally
	Percentage grid electricity	Percentage (%)	~28% at our manufacturing facilities globally
	Percentage renewable	Percentage (%)	• AGI is harnessing renewable energy at two locations in Italy, an office building and a manufacturing facility. • In 2023, these facilities consumed 53.55 MWh of renewable energy from solar, representing a small portion of their electricity consumption.

Employee Health and Safety

Worker health and safety remains our number one priority. AGI has a safety policy and a comprehensive system that proactively monitors and guides safety performance at the facility level – the AGI Safety Management System (ASMS).

This ASMS promotes continuous improvement over and above local, state, provincial, and federal rules and regulations. Our safety performance is monitored and assessed based on leading and lagging indicators, allowing each facility to work towards improving their own performance goals while ensuring all rules and regulations are met or exceeded.

SASB CODE	METRIC	UNIT OF MEASURE	2023 DISCLOSURE
RT-IG-320A.1	Total recordable incidence rate	(Count x 200,000) /hours worked	2.48
	Fatality rate	(Count x 200,000) /hours worked	0
	Near miss frequency rate	(Count x 200,000) /hours worked	We track the total count of near misses, hazard fixes and property damage reports. In 2023, the count was 4,900.

Fuel Economy & Emissions in Use-Phase

AGI endeavours to continuously improve and upgrade our products and technologies to best meet customer requirements for energy efficiency and emissions management. AGI meets the regulatory requirements regarding local emissions in all geographies where our products are sold.

SASB CODE	METRIC	UNIT OF MEASURE	2023 DISCLOSURE
RT-IG-410A.2	Sales-weighted fuel efficiency for non-road equipment	Litres per hour	We are developing a methodology to calculate the fuel efficiency of AGI augers and conveyors sold across different geographies, in line with industry guidance.

RT-IG-410A.4	Sales-weighted emissions of:
	
	1. Nitrogen oxides (NO_x)
	2. Particulate matter (PM) for:
	  a. Marine diesel engines
	  b. Locomotive diesel engines
	  c. On-road medium- and heavy-duty engines
	  d. Other non-road diesel engines
		Grams per kJ	We are developing a methodology to calculate the emissions of AGI augers and conveyors sold across different geographies, in line with industry guidance.

Remanufacturing Design & Services

SASB CODE	METRIC	UNIT OF MEASURE	2023 DISCLOSURE
RT-IG-410A.4	Revenue from remanufactured products and remanufacturing services	Reporting Currency	We service non-warranty parts and components to extend the life of our products for our customers. We are standardizing a process to track revenue from remanufactured products and services.

Materials Sourcing

SASB CODE	METRIC	UNIT OF MEASURE	2023 DISCLOSURE
RT-IG-440A.1	Description of the management of risks associated with the use of critical materials	Not applicable	See disclosure below

AGI is a global manufacturing and distribution company relying on an international supply base. A significant portion of our procurement needs include raw materials including steel and technical components. The supply base for these items is generally regional with reasonable supply and alternative suppliers in most cases. Our more complex mechanical and electrical goods have multiple vendors with supply agreements. To our knowledge we do not procure goods defined by SASB as critical materials, defined as material that is both essential in use and subject to the risk of supply restriction.

To ensure continuity of the supply of the goods we procure, we aim to manage supply chain risks and have implemented the following key initiatives:

- Product standardization for component specification and manufacturing methods to reduce opportunities for failure
- Purchases organized via category management to ensure there are multiple viable suppliers active in each spend area
- Introduced a Supplier Quality Manual and developed supplier selection and supplier qualification processes
- Supplier certification to qualify new suppliers including conducting financial and operational audits
- Vendor performance management tools to identify when specific vendors are trending in a negative direction, allowing for early corrective action to be taken
- Multiple supply agreements and memorandums of understanding to achieve supply security, performance, and flexibility where possible within our North America and international regions
- We also maintain relationships with secondary and tertiary suppliers in addition to maintaining safety stock at our manufacturing facilities
- Regular review meetings with key suppliers on specific materials to ensure supply continuity
- Use of recycled material: a portion of our steel purchases are sourced from electric arc furnaces which primarily use scrap & recycled metal
- Improving our planning and forecasting capability to anticipate disruption risks
- Monitoring of relevant supply chain regulations across jurisdictions including human rights related legislation (i.e., Bill S-211 in Canada) and product compliance related regulation (e.g., PFAS)

Activity Metrics

AGI's activity metrics for 2023 are as stated below.

SASB CODE	METRIC	UNIT OF MEASURE	2023 DISCLOSURE
RT-IG-000.A	Number of units produced by product category	Number (#)	Proprietary
RT-IG-000.B	Number of employees	Number (#)	4,996