



**AGI**  
**SUSTAINABILITY**  
**ROADMAP**

DECEMBER 2020

**AGI** 



## ***INTRODUCTION***

We are excited to publish this Sustainability Roadmap as we strive to improve our reporting in this area and commit to a science-based approach to Environmental, Social and Governance (ESG) topics. ESG considerations are becoming an integral part of our decision-making particularly in light of our recent expansions and growing global diversity across AGI. This has enabled our ongoing evolution in culture, mindset, systems, and processes. A strong ESG program will create a more resilient organization and will help AGI to achieve & maintain sustainable growth.

I am particularly keen to clarify how important our contribution is from an environmental and food security perspective. Our impact in these areas is not clear to many internal and external stakeholders and with this report we will begin our communication around these critical categories.

As a supplier of the world's food infrastructure, our equipment, solutions, and technologies reduce post-harvest losses and increase food security.

A robust global food infrastructure reduces waste at virtually every point in the food production journey driving substantial carbon footprint benefits. Proper storage of grain reduces waste caused by spoilage which maximizes the utility of that produced grain. When a bushel of grain is wasted so too is the fuel and time that went into producing the seed, fertilizer and chemicals, as well as the fuel

that went into planting, spraying and harvesting and on and on. A saved bushel has a huge impact on the world's carbon footprint while also materially addressing food security.

Proper food infrastructure also reduces wasted fuel by reducing idling time of trains, ships, trucks and farm equipment across the entire production chain. Combines idle less when grain can move to grain bins, efficient port facilities reduce loading time for trains and ships; the global impact is enormous.

The world is dealing with a growing population, substantial change in dietary requirements and the increasing volatility associated with climate change. Here again, AGI products and technologies have a substantial contribution. An expanded and efficient food infrastructure is fundamental to population health but goes beyond that to impact productivity as well as political stability. Stable and predictable access to food leads to tremendous benefits.

With the proper lens and information it is quickly quite clear that AGI plays a massive role in the world's sustainability narrative.

This Roadmap further describes the work we are currently doing to understand and address key sustainability challenges as well as the approach that led to the selection of our focus areas and material topics. We intend for this Roadmap to act as a guide for our company and our partners, so that together we can deliver sustainable outcomes over the coming years.

***"OUR SUSTAINABILITY EFFORTS ARE CENTERED ON  
STAKEHOLDER WELL-BEING, GOOD GOVERNANCE AND  
ENVIRONMENTAL STEWARDSHIP"***

**TIM CLOSE, PRESIDENT & CEO**



Revenue  
(Sales into 89 Countries)

**~CAD\$  
1 BILLION**

IN LAST 12 MONTHS



## **AGI AT A GLANCE**

AGI products, equipment, and technologies form part of the global network of food infrastructure that stores, blends, mixes, conveys, conditions, processes, and protects hundreds of millions of tons of agriculture inputs and crops flowing around the world daily.

AGI is a global leader in planning, engineering, manufacturing and executing full solutions and systems across five platforms - seed, fertilizer, grain, feed, and food. AGI partners with customers and suppliers on six continents to leverage the AGI advantage and engineer unique, market-specific systems.

### **MISSION**

Supply the world's food infrastructure, and in the process, enrich the lives of our employees, customers, and shareholders, and the communities of which we are a part.



**34**

**MANUFACTURING  
FACILITIES**



**~3,900**

**EMPLOYEES**



- **2019**

Launch of **AGI SureTrack Technology** Platform

Acquisition in **India** and expansion into rice milling sector

- **2017**

Global expansion in the **U.S., Europe, Australia** and **Africa** through acquisition strategy

- **2016**

Expansion into **Brazil** through greenfield and acquisition strategy

- **2015**

Westeel acquisition & geographic expansion into **Europe** serving global food infrastructure

- **2004**

Successful completion of **Initial Public Offering**

- **1996**

AGI is established driven by the **Entrepreneurial Spirit** of its Founders

## OUR **GLOBAL IMPACT**

Since its inception, AGI has been known for building quality equipment for farmers, partnering with dealers and for its connections with local communities.

Our food infrastructure improves global supply chain efficiencies as ships, trucks, and trains spend less time idling at grain facilities and waiting at port terminals.

AGI contributes significantly to global Food Security and Sustainability as our storage, handling, and conditioning equipment as well as our technology solutions reduce post-harvest losses that result from spoilage, insects, mold, and from exposure to the elements. Food security is of utmost importance in light of the increasing global population and particularly in developing countries that are significant importers of grain.



**SUSTAINABILITY  
MEGATRENDS**



**ESG STANDARDS  
AND FRAMEWORKS**



**STAKEHOLDER  
INPUT**

## **APPROACH TO SUSTAINABILITY**

Our sustainability approach is based on mega-trends that can shape AGI's future, evolving ESG standards and frameworks, and our stakeholders' views and inputs. We used this combination to arrive at our list of material topics.



## Sustainability Megatrends in Agriculture & Related Industries



**Food Security and Elimination of Waste** – Need for infrastructure in order to efficiently feed a growing population while reducing food waste in the process.



**Biofuels and Alternative Energy Sources** – Growing demand for biofuels is being supported by changes in agriculture production and practices.



**Changing Consumer Preferences** – Global and regionally-specific changes in consumer preferences in relation to protein consumption.



**Traceability & Control** – Solutions to enhance traceability and transparency along the food value chain enhanced by track and trace technology.



**Climate Change** – Prepare and adapt to changing and volatile weather events and their impact on suppliers, dealers, customers, our own operations and the broader market.



**Precision Agriculture & Sustainable Farming Practices** – Technologies and practices such as GPS, soil sensors, weather data and IoT for decisions related to fertilizer, irrigation, harvesting time, seed spacing, etc.



## **ESG Standards & Frameworks**

We are in the process of adopting the most widely used and industry-relevant standards and frameworks and adapting them to our operational reality. These include sustainability topics defined under Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) and relevant reporting standards from Global Reporting Initiative (GRI) among others.





**Multi-Stakeholder View on Material Topics**

**28**

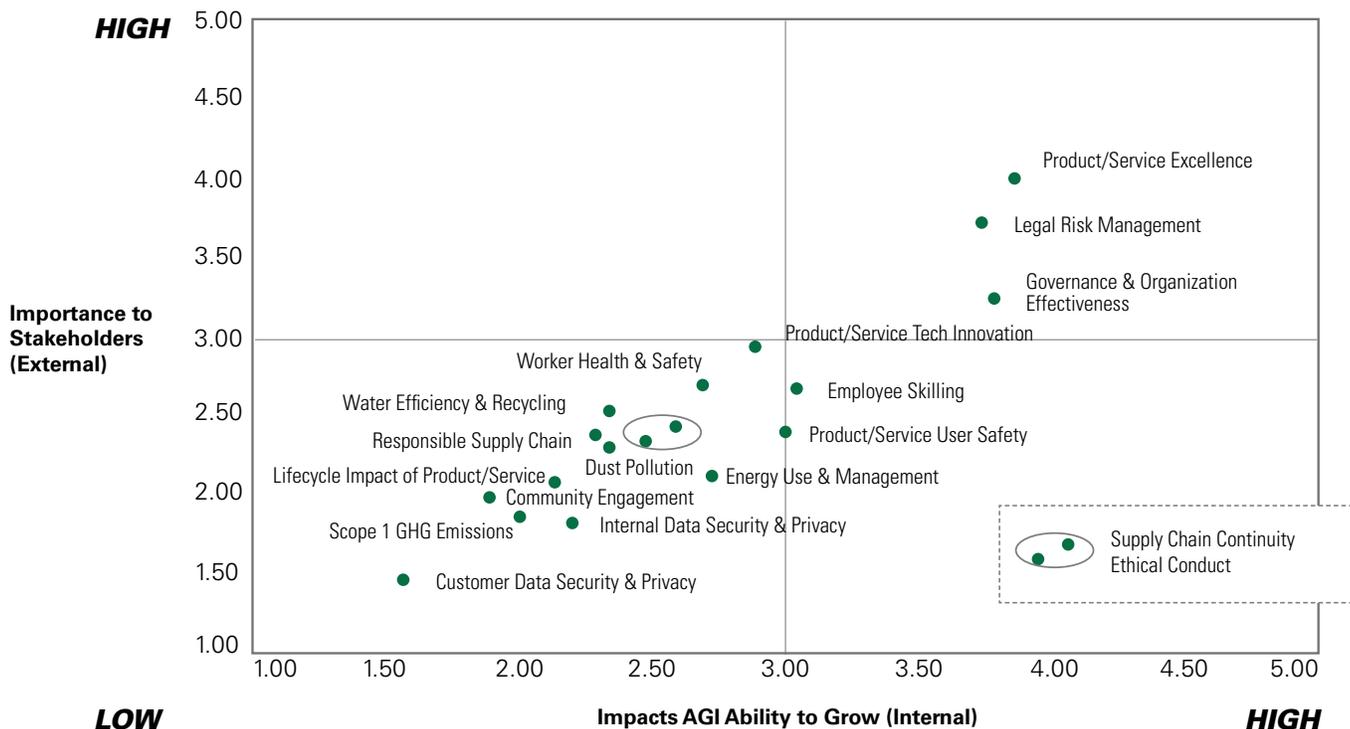
Interviews with AGI leadership and key external stakeholders

**944**

Survey Responses from AGI Employees, and External stakeholders from around the globe

**Materiality Matrix**

Identified material topics ranked on 'Importance to External stakeholders' and responses from employees on 'Impacts AGI ability to grow'





**FOUR  
PRIORITY  
AREAS FOR  
MAXIMUM  
IMPACT**

# **AGI SUSTAINABILITY STRATEGY**

The AGI Leadership team has selected 15 material topics which can be grouped into four focus areas. These areas support our company growth strategy, provide common ground for our existing and new markets, and serve as a roadmap for setting our sustainability goals. These goals will be aligned to the relevant 17 UN Sustainable Development Goals we can meaningfully contribute to. We plan to address these materials topics in a phased approach and through a multi-year effort so as to ensure effectiveness and success.



### **EXCEEDING CUSTOMER EXPECTATIONS**

- Product and Service Excellence
- Technology & Innovation
- Product User Safety



### **ENSURING PEOPLE WELL-BEING**

- Worker Health & Safety
- Community Engagement
- Diversity & Inclusion



### **ENHANCING GOVERNANCE & RISK MANAGEMENT**

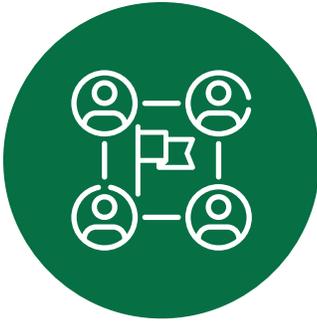
- Governance, Organizational Effectiveness & Employee Skilling
- Legal Risk Management
- Ethical Conduct
- Data Governance & Security
- Responsible Supply Chain
- Supply Chain Continuity



### **SUSTAINABLE MANUFACTURING**

- Energy Use & Management
- Water Efficiency & Recycling
- Scope 1 GHG Emissions





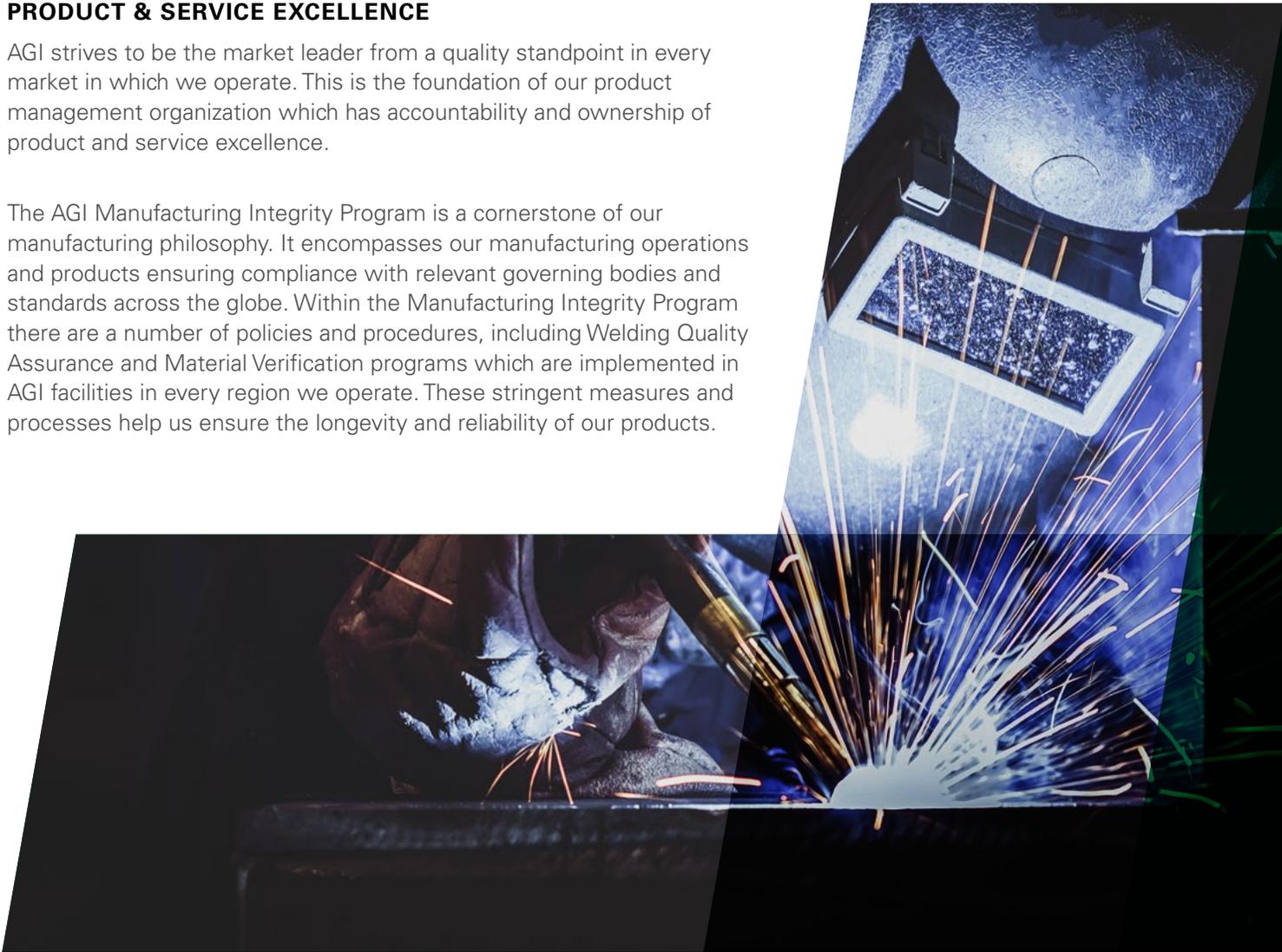
# Exceeding Customer Expectations



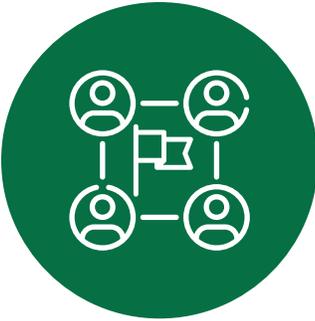
## PRODUCT & SERVICE EXCELLENCE

AGI strives to be the market leader from a quality standpoint in every market in which we operate. This is the foundation of our product management organization which has accountability and ownership of product and service excellence.

The AGI Manufacturing 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. Within the Manufacturing Integrity Program there are a number of policies and procedures, including Welding Quality Assurance and Material Verification programs which are implemented in AGI facilities in every region we operate. These stringent measures and processes help us ensure the longevity and reliability of our products.



Refers to United Nations Sustainable Development Goal #2 - Zero Hunger



# Exceeding Customer Expectations

## TECHNOLOGY & INNOVATION

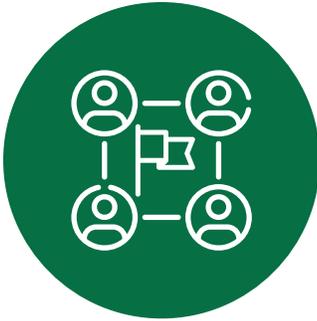
At AGI we are committed to continued innovation across our product lines to deliver advanced technology, automation, functionality and features that add value to our customers. Across our product lines there are specific examples of product development completed and in progress focused on meeting and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

We realize the importance of incorporating technology across our entire product line. AGI SureTrack is an independent technology platform that combines software and hardware to provide farm management, bin monitoring and conditioning, and grain marketing. We are pursuing a future where all AGI equipment is SureTrack Ready™ and can be monitored and controlled from the safety and convenience of a user's mobile device.



Refers to United Nations Sustainable Development Goal #9 - Industry, Innovation and Infrastructure



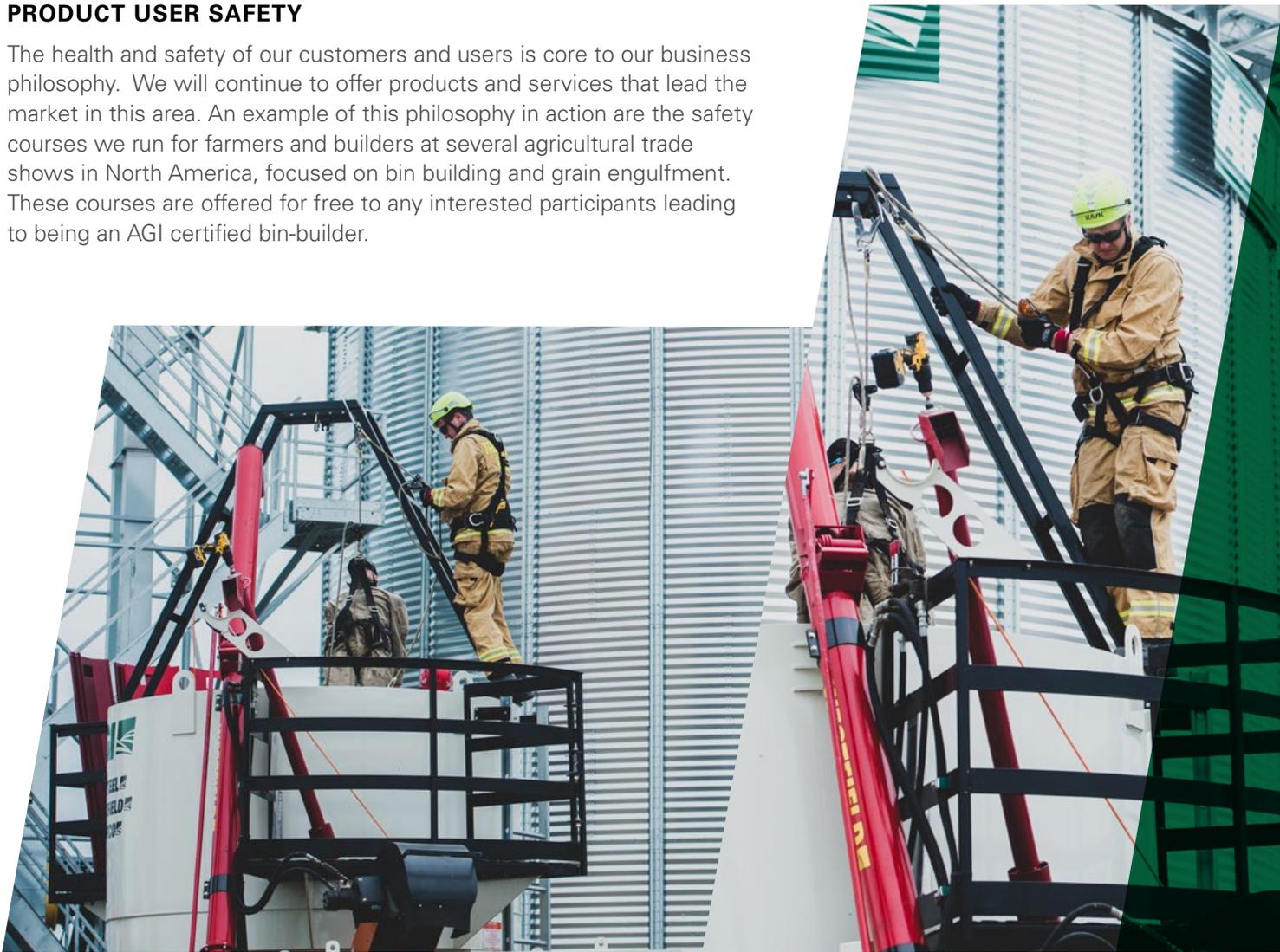


# Exceeding Customer Expectations

3 GOOD HEALTH AND WELL-BEING

## PRODUCT USER SAFETY

The health and safety of our customers and users is core to our business philosophy. We will continue to offer products and services that lead the market in this area. An example of this philosophy in action are the safety courses we run for farmers and builders at several agricultural trade shows in North America, focused on bin building and grain engulfment. These courses are offered for free to any interested participants leading to being an AGI certified bin-builder.



Refers to United Nations Sustainable Development Goal #3 - Good Health and Well-Being



# Ensuring People Well-Being



## WORKER HEALTH & SAFETY

Our employee’s health and safety is our top priority. Safety metrics are being captured monthly including Lost Time Incident Frequency Rate (LTIFR) and Total Recordable Rate (TRR) as per respective local guidelines.

During the Covid-19 pandemic we put processes in place to prevent the spread of the virus, contact tracing, and to make all office and production locations safe working environments. Throughout the pandemic AGI has provided Covid-specific protective equipment and resources to each of our offices and facilities and we strive to test and deploy the newest products and technologies as they become available.



## COMMUNITY ENGAGEMENT

Although AGI’s operations are global, local communities continue to be at the heart of everything we do. We actively contribute to charitable causes in all the regions we operate as part of our broader AGI Peloton program. Another example of our engagement with local communities is our weekly Coffee Talks podcast which covers topics including farm safety, efficient use of energy, using resilient soil practices, mental health, and supporting women in agriculture.



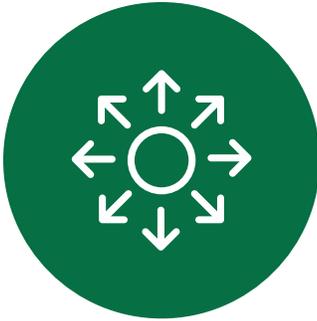
## DIVERSITY & INCLUSION

We are on a continuous journey to build a globally diverse and inclusive workforce reflecting our customer base and local talent pools. Women leaders hold three out of eight positions on our Board of Directors. We are committed to providing equal employment opportunity to people regardless of their race, sexual orientation, religion, age, gender, disability status or any other dimension of diversity.

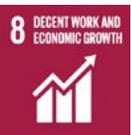


Refers to United Nations Sustainable Development Goal #3 - Good Health and Well-Being, #11 - Sustainable Cities and Communities, #10 - Reduced Inequalities





# Enhancing Governance & Risk Management



## GOVERNANCE, ORGANIZATIONAL EFFECTIVENESS AND EMPLOYEE SKILLING

We are committed to best practices relating to governance structure, with clearly delineated roles and responsibilities and effective tracking of company-wide metrics relating to business and ESG risks. Current board committees include Corporate Governance, Compensation and Human Resources, Environmental, Health, Safety & Sustainability (EHS&S) and Audit with Senior Leadership Team (SLT) input and engagement. We have initiated efforts on technical and soft skills mapping for Field Engineers and our manufacturing facilities maintain skills matrices for their factory floor employees and equip them with detailed work instructions for carrying out assembly activities.



## DATA GOVERNANCE, LEGAL RISK MANAGEMENT & ETHICAL CONDUCT

AGI has a cross-functional data governance committee and is currently providing Cybersecurity awareness training to select employees.

AGI has a clear Code of Business Ethics & Whistleblower Policy that guides all of our business activities



## SUPPLY CHAIN MANAGEMENT

AGI mitigates its exposure to higher input costs through supplier agreements, strategic procurement of steel, sales price increases and limiting the length of time commercial quotes remain valid.

Additionally we are implementing procurement terms and policies to manage any risks in the supply chain related to supplier activities including environmental stewardship, labour practices and trade restrictions, among others.



Refers to United Nations Sustainable Development Goal #8 - Decent Work and Economic Growth, #12 - Responsible Consumption and Production



# Sustainable Manufacturing

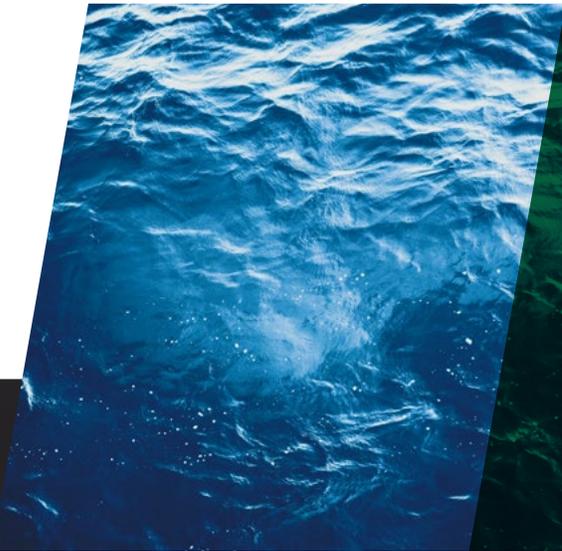
## Sustainable Manufacturing

### ENERGY USE AND MANAGEMENT, WATER EFFICIENCY AND RECYCLING

We are working towards baselining our resource consumption patterns (energy and water) at our 34 manufacturing facilities globally. This will help us determine where we can successfully achieve reductions to improve our environmental footprint.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION



Refers to United Nations Sustainable Development Goal #12 - Responsible Consumption and Production, #13 - Climate Action

## SPOTLIGHT ON

# AGI SURETRACK

AGI SureTrack is a software and hardware platform that brings together data from across the farm to better manage crop production and their overall business as well as enabling users to monitor and market crops based on content and traceability.

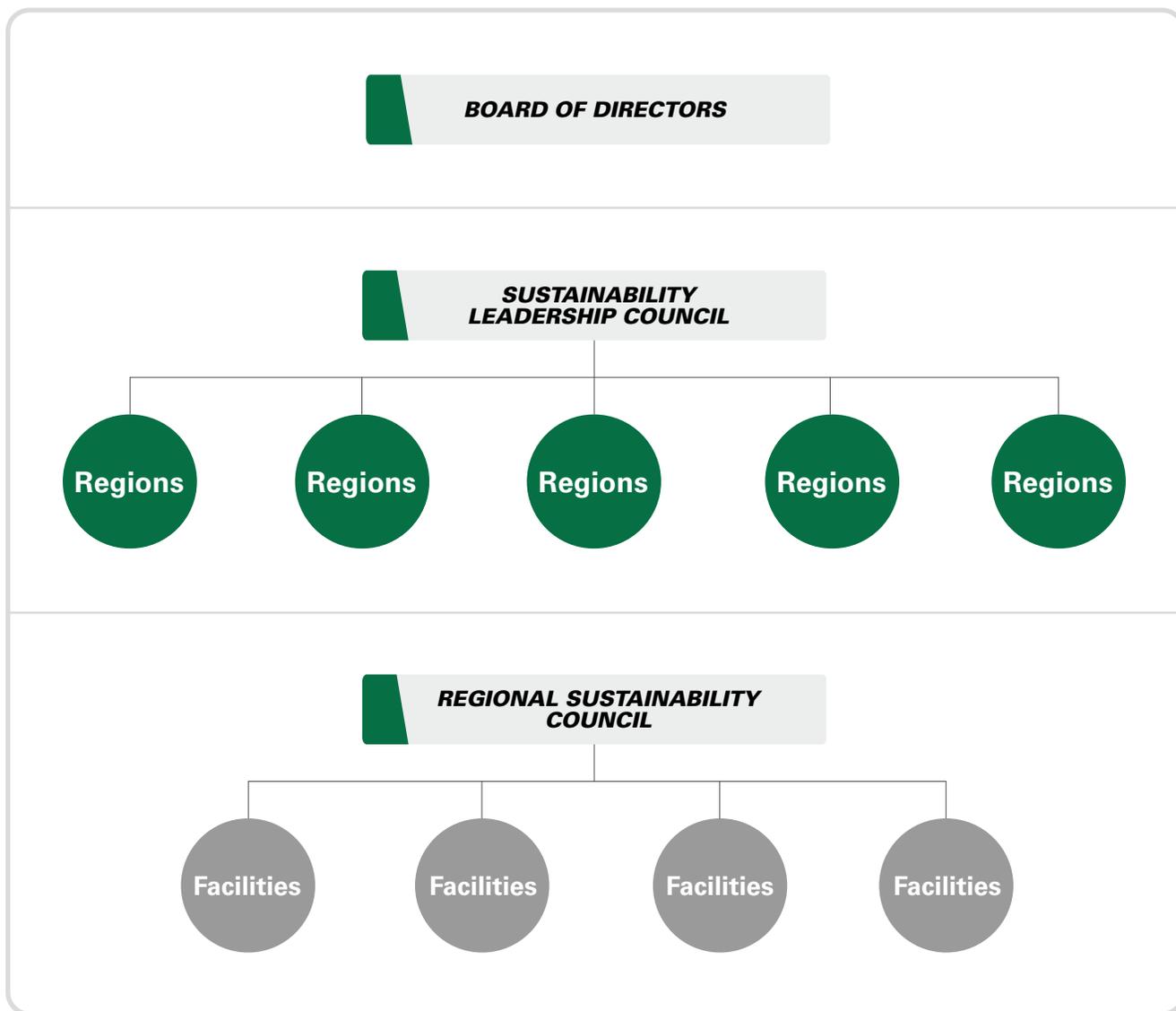
AGI SureTrack contributes to sustainability in the following ways:

- Farmers can monitor their grain from the safety of their electronic devices rather than physically climbing the bin
- Allows farmers to condition the grain in their bins in order to avoid spoilage
- Enables farmers to reduce energy consumption by automating conditioning of their grain
- Helps farmers optimize their usage and application of inputs
- Recent partnership with Truterra (division of Land O'Lakes) will allow farmers to measure their sustainability practices and environmental stewardship



# **SUSTAINABILITY GOVERNANCE**

We are in the process of establishing a governance structure to design specific sustainability initiatives and to measure progress against our goals. The Sustainability Leadership Council includes Senior Leadership Team members to guide the respective Regional Sustainability Councils in implementing this strategy. Our Regional Councils will similarly advise Facility teams to implement, measure progress and share best practices. We look forward to strong governance and executive oversight that will help guide us on this journey.





## **PATH FORWARD**

Our four strategic focus areas - Exceeding Customer Expectations, Enhancing Governance and Risk Management, Ensuring People Well-being and Sustainable Manufacturing – align with our company mission and growth ambitions. These provide the foundation to address the diversity and richness of our expanding businesses. We will be initiating a comprehensive goal development process, working with internal and external subject matter experts to develop quantifiable and credible goals.

We pledge to transparently report on our progress towards our goals, including publishing an annual sustainability report. We will also continue to publish our public positions on key issues and engage in constructive dialogue with interested stakeholders.

We prioritize two-way dialogue with our stakeholders and continue to welcome guidance and feedback as we continue this journey. Reach out to us at [sustainability@aggrowth.com](mailto:sustainability@aggrowth.com) with any questions or comments.



