

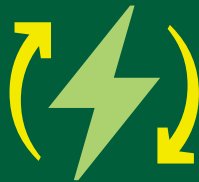


2021 SUSTAINABILITY REPORT

SUSTAINABILITY FOR ALL SEASONS



**OVER 19% REDUCTION OF
GHG EMISSIONS SINCE 2019**



**COMMITTED TO REDUCING
GHG EMISSIONS 50% BY 2030**

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LETTER FROM THE CEO



Dear Stakeholders,

It's my privilege to introduce the following Alamo Group Inc. 2021 Sustainability Report and I want to personally thank you for investing your time to review it. As you know, I was appointed Alamo Group's President and Chief Executive Officer nearly one year ago. At that time, I committed that one of my most important objectives as CEO would be the development of Alamo Group as a clearly recognized benchmark amongst its peers in the areas of environmental, social and governance performance. Our entire leadership team is focused on this shared mission to accelerate our progress toward achieving the meaningful, and substantive sustainability targets we have established for the company.

Alamo Group published its first Sustainability Report in 2019, so this is the third time we have reported to you on the progress we are making toward reaching our sustainability goals. During the past year, we have made important strides to improve the company's performance across the spectrum of ESG and the specific targets we

have established. Our progress during 2021 is highlighted in the pages that follow.

Notably, on July 20, 2021, I appointed Mr. Dan Malone as Alamo Group's first Chief Sustainability Officer. Dan previously served fourteen successful years as the company's Chief Financial Officer and his personal passion for corporate sustainability, combined with his eye for spotting trends in complex data, make him an ideal choice for this newly created and very important position. Under Dan's leadership over the past few months, we assembled a small, talented team of specialists to guide and steer sustainability initiatives across the company. This team carefully evaluated and analyzed the sustainability data collected from our operations around the world over the past several years to gain a deeper understanding of the common challenges and opportunities that lie before us. Their objective is to identify, document and share the best ESG practices our teams have developed across the company and they have made great strides this year.

On the environmental front, we have identified ways to materially reduce the amount of energy and natural resources we consume in our operations, for example, by consolidating facilities, modifying production processes, and investing in more efficient tooling and machinery. We are increasing the pace of our actions and investments to make sure that these reductions are captured as quickly as possible. We recently publicly committed the company to achieve a 50% reduction of greenhouse gas emissions by 2030 and I am confident that we will meet and perhaps exceed this target. We then put our teams to work on reducing the amount, and environmental impact of packaging materials that are generated at various stages of our production. This began by evaluating the packaging materials that we receive in shipments from our suppliers as well as those used in our shipments to our customers. We are working closely with our suppliers and customers to reduce the quantity of packaging materials required, and increase their recyclability, while maintaining or improving the as-delivered quality of our products.

We have also made solid gains on the people front this year. For example, as part of our succession initiatives, we recently launched a new internal Training Academy that offers our employees a wide variety of training programs and formal educational opportunities to help them improve their skills and professional knowledge. Ultimately, this will provide our employees greater opportunities to advance to larger roles as our company continues to grow. In addition, it will help us to improve employee satisfaction and this in turn will help to reduce employee turnover. Lastly, we improved our recruitment processes to make sure that we consistently access a diverse pool of well qualified candidates as we bring new employees into the company. Our commitment to diversity at all levels of our company has been, and will continue to be, a key priority for us. Late in 2021, we expanded our Board of Directors to nine members in order to further increase board diversity. Today, Alamo Group enjoys the leadership of the most diverse board in company history with women holding three of the nine seats on the board.

As you will read in the pages that follow, we are making meaningful progress on our ESG journey. I hope you will enjoy reading our report. Please feel free to provide me your feedback to help us continue to improve our ESG performance.

Finally, I want to take this opportunity to thank our customers, employees, suppliers, managers, executives and the Alamo Group Board of Directors. The past year, my first as CEO of this amazing company, has been challenging, exciting and professionally rewarding. I'm proud of what we have accomplished and look forward to what we will achieve together in 2022.

Jeffery A. Leonard
Chief Executive Officer and President

MESSAGE FROM THE CSO



When I took on the role of Chief Sustainability Officer in mid-2021, I did so knowing that some of our sustainability initiatives were already producing results beyond our initial expectations. Having previously served 14 years as the Company's Chief Financial Officer, I also knew that these initiatives, as

well as many of the opportunities that lay ahead of us, were not only good for people and the environment but would also produce strong financial returns for our shareholders. For example, LED lighting and energy management system installations at our Ohio excavator plant were already exceeding a promised 3 million kWh (40%) reduction in their electric power consumption, and an upgrade of laser cutting technology at our Alabama sweeper plant was contributing to a 0.5 million kWh (27%) reduction of electricity used in that facility.

In our 2020 Sustainability Report, we set seven 2025 sustainability targets. I am happy to report that we have already achieved, or are nearly achieving, most of those goals. These early successes give us the confidence to reduce most of our 2025 targets and set a 50% greenhouse gas emissions reduction target for 2030.

In this year's report, you will notice a couple of significant changes. First, because we were able to collect full-year sustainability metrics for the businesses we acquired in 2019, we have chosen to set goals and report sustainability metrics in absolute terms. This year, we supplemented the absolute measurements with a normalization expressed per million sales dollars. In future reports, high organic business growth or additional acquisitions may require us to convert our goals and performance into different measurements of intensity to facilitate comparability. If that happens, the conversion will be transparent and reconciled to previously stated goals and comparable prior year results.

Second, we will prospectively discontinue using metric tons shipped to normalize our sustainability results. Due to recently proposed government regulations, we prefer to use ratios drawn from reporting processes which are already highly controlled and audited. Metric tons shipped might be an effective normalization for companies whose sustainability metrics correlate highly with a relatively homogenous output, but that is not us. We have other options and, frankly, don't see a favorable cost benefit to reinventing the wheel.

A major company in our industry recently reported that over 92% of their total carbon emissions were indirect

emissions attributed to the end use of the equipment they produce. A full scope analysis of carbon emissions related to our products would likely yield a similar result. While we have control over reducing our own footprint, reducing the indirect emissions related to our products requires investments in new product development and significant collaboration with both customers and suppliers. This is also underway and gaining momentum.

I am excited by the changes which lay ahead of us. We now have over 130 Green Team members engaged in the development and implementation of sustainable business practices across our company. My job is primarily communication, identifying best practices and aligning resources to implement good ideas at scale. Every time I visit one of our facilities, I am encouraged and amazed by the enthusiasm of our people and the innovative ideas which they surface to address the challenges of our future. I am grateful for their commitment.

Dan E. Malone,
Executive Vice President and Chief Sustainability Officer

AT A GLANCE

Alamo Group is a leading manufacturer of high-quality maintenance equipment for managing natural vegetation, industrial facilities and public and private sector infrastructure. Our products are delivered and serviced primarily through an international network of approximately 7,000 independent dealers, distributors and service agents.



FOUNDED IN

1969

HEADQUARTERED IN

SEGUIN, TX

PUBLICLY TRADED SINCE

1993

(NYSE: ALG)

Quarterly dividend paid continuously since going public

EMPLOYEES

4,200+

MANUFACTURING LOCATIONS

29

North & South America

Europe

Australia

OPERATING DIVISIONS

2

Vegetation management

Industrial equipment

VEGETATION MANAGEMENT DIVISION

Alamo Group's Vegetation Management Division is a leading provider of equipment used in both the maintenance and recycling of organic material. This division, which accounts for 60% of Alamo Group's total sales, employs over 2,500 people, operates 17 manufacturing locations across 7 countries and primarily sells its equipment through a network of approximately 6,000 independent dealers and distributors. The division's mowing and tree care brands are some of the most recognizable names in their respective markets. From crop preparation to stubble management, to roadside mowing, to forestry management, Alamo offers innovative products to support our customers' needs.



WETLAND MANAGEMENT



MOWING



FORESTRY & RECYCLING

INDUSTRIAL EQUIPMENT DIVISION

The Industrial Equipment Division of Alamo Group is a leading supplier for both public and private sector customers in infrastructure. Accounting for approximately 40% of the Company's total sales, this division employs over 1,500 people in 12 manufacturing locations across 3 countries, and primarily sells its equipment through a network of about 750 dealer and distributors. This division's specialized equipment focuses on application-based solutions and includes some of the most recognizable brand names in the market. Our products focus on both contractor and municipal infrastructure customers' year-round maintenance requirements.



STREET SWEEPERS



VACUUM TRUCKS

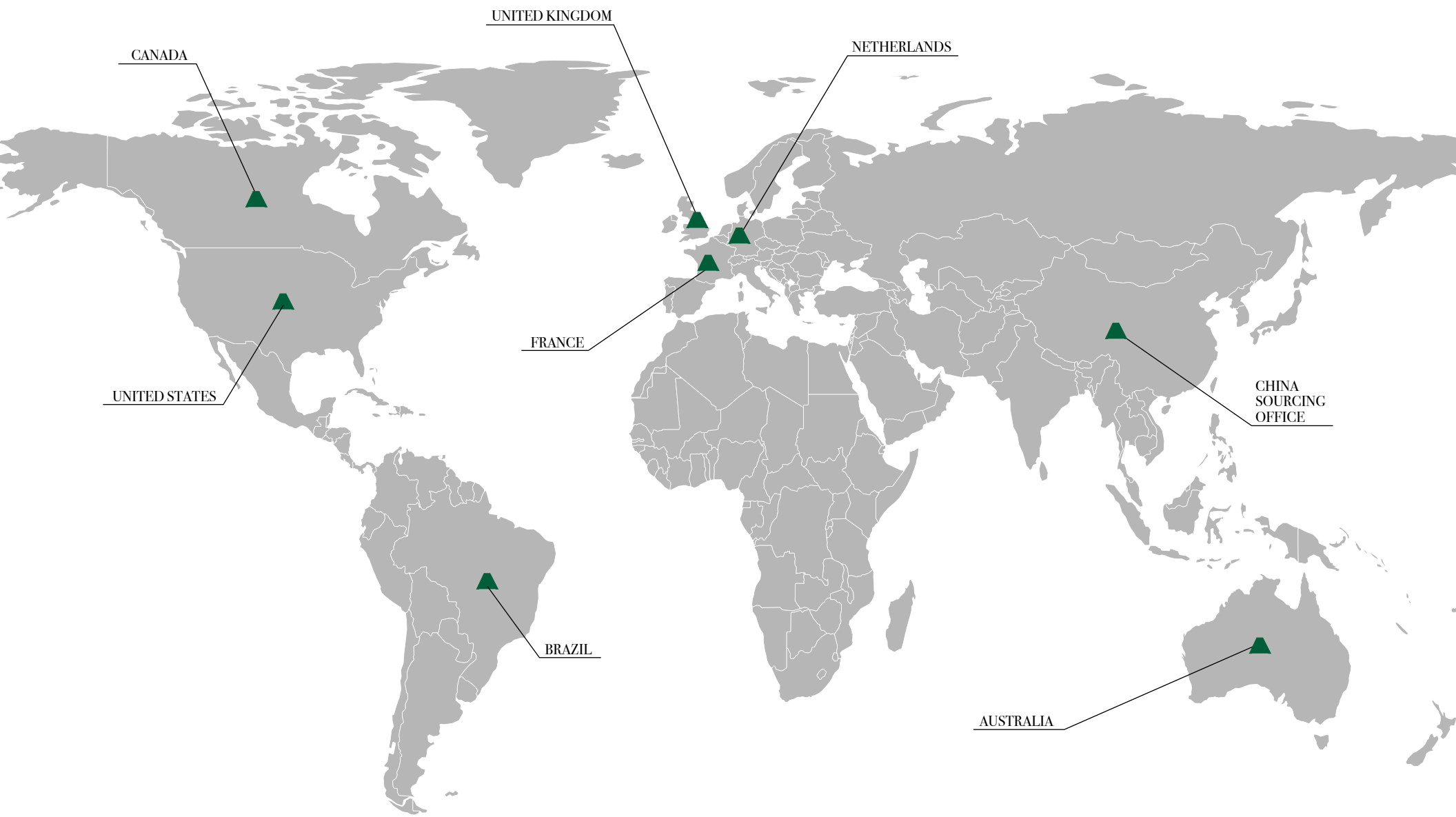


EXCAVATORS



SNOW REMOVAL

OUR LOCATIONS



OUR APPROACH TO SUSTAINABILITY

Alamo Group provides products and services which support the maintenance of critical infrastructure and the sustainable growth of forests and food production, so that our customers, employees, shareholders, supply chain members and communities can grow and prosper.

Many of our customers are responsible for keeping our roadways and power lines clear of encroaching vegetation, clearing debris from our storm sewers, sweeping contaminants from our streets, removing snowfall from our roads, maintaining our forests, and preparing fields for the next planting. It is our job to provide solutions for our customers to do those jobs in the most effective and sustainable ways possible.

All levels of Alamo Group management actively participate in the development and execution of our sustainability strategy. This strategy is built upon ongoing dialogue with key stakeholders and insights from our annual materiality and risk assessments, which now include a deeper analysis of climate risks and opportunities.

As we gain greater awareness and understanding of potential climate-related impacts, we have begun to consider climate-related issues in our strategic planning and enterprise risk management processes. As referenced below, we have included climate-related disclosures in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We will continue to align our sustainability performance reporting with relevant Sustainability Accounting Standards Board (SASB) guidelines.

All quantitative data and information in our report reflects activity in calendar years 2021, 2020 and 2019 or as of December 31 of each year, as applicable. The 2019 and 2020 Alamo Group Sustainability Reports are also available on our website, at <https://www.alamo-group.com/our-company/Environmental-and-Social/>



GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
Alamo Group’s governance around climate-related risks and opportunities is described in the ESG Governance section of this report (page 9)	Disclosure of potentially material climate-related risks and opportunities on Alamo Group’s businesses, strategy and planning processes are addressed in Materiality & Risk Assessment (page 12) and Sustainable Product Development (pages 26-31) sections of this report.	Discussion of how Alamo Group identifies, assesses, and manages climate-related risks is included in the Materiality & Risk Assessment section of this report (page 12)	Disclosures of the metrics and targets we use to assess and manage climate-related risks and opportunities are included in the 2021 Sustainability Highlights (page 14), Sustainability Goals & Objectives (pages 15-16), Environmental Responsibility (pages 18-25) and People & Communities (pages 32-35) sections of this report.

ESG GOVERNANCE

During 2021, the Alamo Group Board of Directors assigned ESG oversight to its Nominating and Governance Committee, the Company's former CFO was appointed as its first Chief Sustainability Officer, an ESG Executive Team was created, a Corporate Sustainability Team was built, and Green Teams (more than 130 people total) were deployed at every Alamo company.



BOARD ESG OVERSIGHT

Board of Directors

Chairman, Nominating
& Governance Committee

Chief Executive Officer

The Alamo Group Board of Directors, its Nominating and Governance Chairman and Chief Executive Officer receive ESG updates at least quarterly, review and approve the publication of ESG goals and reports, and provide strategic oversight and guidance regarding ESG matters.

ESG EXECUTIVE TEAM

EVP, General Counsel

EVP, Chief Sustainability Officer

VP, Corporate Human Resources

Under the direction of the Board of Directors and Chief Executive Officer, the ESG Executive Team is responsible for the communication and deployment of the Company's ESG strategy.

CORPORATE SUSTAINABILITY TEAM

Technical Affairs,
Sustainability Team

Human Resources, Employee
Relations, and Diversity Team

The Corporate Sustainability Team engages regularly with local leaders and Green Teams to share ideas and best practices, facilitates ESG accountability and provides ESG performance reports to executive leadership at least quarterly.

OPERATIONS LEVEL

Division & Business
Unit Leadership





On-Site Sustainability
Leaders & Green Teams

Business unit leaders and Green Teams at each facility are responsible for planning and implementing sustainable business practices at the local level, as well as the monthly reporting and analysis of sustainability metrics.

STAKEHOLDER ENGAGEMENT

As part of our strategic management, we regularly engage in dialogue with our stakeholders to develop solutions for environmental, social and business challenges. We value open and honest communication with our investors, customers and suppliers regarding ESG issues. Employee

insights are also critical. We empower them to provide input on our local approach to employee engagement and our overall sustainability initiatives.

STAKEHOLDER GROUP	WAYS WE ENGAGE	STAKEHOLDER PRIORITIES	EXAMPLES OF ENGAGEMENT
Investors	<ul style="list-style-type: none"> TCFD/SASB-aligned ESG disclosures Investor meetings and conferences Quarterly conference calls 	<ul style="list-style-type: none"> Long-term revenue and earnings growth Sustainable shareholder value Anti-corruption and anti-competitive behavior 	In 2021, Alamo Group engaged with shareholders and analysts in four investor conferences, over forty investor meetings and four quarterly conference calls.
Employees	<ul style="list-style-type: none"> Training programs and support Town hall meetings Whistleblower mechanism 	<ul style="list-style-type: none"> Competitive compensation and benefits Safe and healthy workplace Diversity, inclusion, and non-discrimination Development and opportunity for advancement 	 <p>Alamo Group Learning & Development Academy facilitates employee education and professional development.</p>
Customers	<ul style="list-style-type: none"> Direct collaboration with customers on product design and specifications Customer events, product demonstrations and trade shows Providing operator safety training 	<ul style="list-style-type: none"> Providing products that help customers perform their jobs in an efficient, safe and sustainable manner Product quality, safety, and efficiency Great customer service 	 <p>Alamo Group Operator Safety Training for customers offered by our Technical Affairs and Safety team.</p>
Suppliers	<ul style="list-style-type: none"> Direct collaboration with suppliers on product design and specifications Supplier onboarding Supplier risk assessment and performance reviews Supply chain transparency inquiries 	<ul style="list-style-type: none"> Fair and competitive terms Opportunities for collaboration Sustainable growth opportunities Long-term relationships (not transactional) 	We are engaged with several of our suppliers to reduce, reuse and recycle the waste associated with inbound crates, pallets, and packaging materials. At several facilities, our landfill waste streams have been reduced by resulting deployments of returnable racking, reusable crating and recyclable packaging.
Communities	<ul style="list-style-type: none"> Fundraisers and philanthropy Volunteering with local organizations Local hiring initiatives 	<ul style="list-style-type: none"> Community partnerships Employment opportunities for community members Mitigation of issues like noise and pollution 	 <p>Alamo Group 2021 Texan by Nature 20 Honoree for leadership in conservation and sustainability.</p>
Industry Engagement	<ul style="list-style-type: none"> Corporate memberships Leadership in committees and working groups Participation in conferences and group events 	<ul style="list-style-type: none"> Sharing of best practices Collaboration on industry issues Engagement on public policy issues 	 <p>Corporate membership with individual members across Alamo Group companies.</p>



CASE STUDY:

ENRICHING BIODIVERSITY AND COMMUNITY ENGAGEMENT

Early in 2021, at our Rivard vacuum truck manufacturing plant in Daumeray, France, we engaged a local beekeeping company to install two beehives in the fields surrounding our facility. In July, the honey was collected for an open house event attended by employees, customers, and the community at large, to view their facility and their honeybee colony. For this event they collected 70 jars of honey for the visitors. In addition, we relocated a family of sheep to replace mowers and provide free lawn care in the fields where the beehives are located. Recognizing the importance of honeybees to biodiversity, Rivard is planning future expansion of the beehive program by planting over 100 fruit and flower trees in their fields that will provide a steady supply of nectar for the bees.

Other Alamo Group facilities, including our Morbark forestry equipment business in Winn, Michigan, and our Santa Izabel vegetation maintenance equipment manufacturing facility in São João da Boa Vista, Brazil are also in the process of developing beehive colonies, planting thousands of flowers and fruit trees on their campuses to enhance their surroundings, creating a carbon sink, and contributing to a higher level of biodiversity in their ecosystems. Preserving and developing natural habitats and environments surrounding our facilities is one way we can contribute to preserving biodiversity in the communities where we work and live.

MATERIALITY & RISK ASSESSMENT

Using information obtained from both internal and external sources, as well as our stakeholder engagement, the Corporate Sustainability Team conducts a materiality assessment every year. We utilized external tools, such as the SASB materiality guidance, to reason check our findings. The most significant ESG issues identified by both our internal assessment and the SASB guidance were: Energy Management, Employee Health & Safety, Product Design & Lifecycle Management, and Materials Sourcing & Efficiency. Our internal materiality assessments established the following nine ESG priorities for Alamo Group:



ENVIRONMENTAL

- Improve operational & energy efficiencies
- Improve materials sourcing strategies to manage risk and reduce environmental impacts
- Enhance product development to help customers operate efficiently and lower emissions
- Comply with new product safety & chemical disclosure laws.



SOCIAL

- Improve employee health & safety
- Enhance workforce diversity & inclusion
- Employee development & retention



GOVERNANCE

- Enhanced cybersecurity
- Continue to grow and improve economic performance

CLIMATE-RELATED RISKS & OPPORTUNITIES

Three of the material issues identified in our assessment are directly linked to climate-related risk. Stakeholder interest in climate-related disclosures is high, so in this report we discuss our relevant climate-related risks and opportunities using the Task Force for Climate-related Financial Disclosures (TCFD) framework.

Transition Risks – These risks and opportunities are primarily: (1) markets for our products transition to lower carbon technology, and (2) government imposes carbon taxes or some other carbon pricing mechanism on our production inputs, customers, or us directly. We believe both risks may impact us on a medium to long-term time horizon. The financial impact could be an increase in operating costs and/or negative effects on the demand

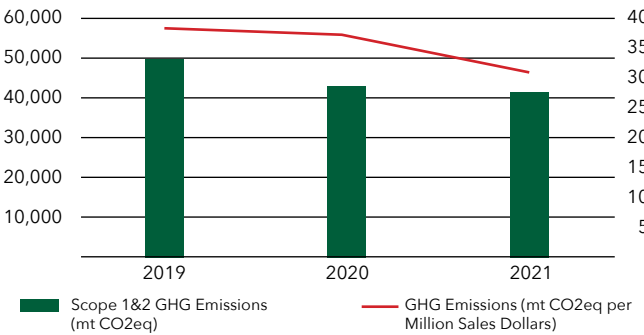
for our traditional products. On the positive side, we are well positioned to develop lower carbon solutions for our customers, and this could also provide opportunities for sales growth. We believe that decarbonized technologies will first gain traction in the part of our product range where operating power requirements are low enough to accommodate existing scalable solutions and will eventually progress to products with higher functional output as product design enhancements and new alternative powertrain technologies are developed and converge. Examples of how we are already collaborating with suppliers and customers to meet these challenges are included in the Sustainable Product Development section of this report.

Physical Risks – These acute risks are caused by increased severity and frequency of extreme weather events, such as heat waves and storms, and chronic risks caused by extreme variability in precipitation and weather patterns, such as chronic coastal flooding or increasingly severe droughts. We believe both may occur over a long-term time horizon. We believe most of this risk resides with our upstream supply chain members and end users of our vegetation management equipment. The potential financial impact would be supply chain disruption or a decline in end-user demand. Our opportunity is that many of our products, particularly specialty excavators, vacuum trucks and tree care equipment are heavily used for critical tasks such as clean-up after extreme weather events and creating fire breaks to prevent spreading wildfires. We estimate a low to medium net financial impact from these risks and opportunities.

2021 SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS

In 2021, we exceeded, met, or made significant progress toward each of the initial 2025 sustainability targets we set last year. More ambitious 2025 and 2030 targets, which can be found on pages 14 and 15 of this report, have been adjusted to reflect not only the progress we have already made, but also the opportunities we see ahead us.

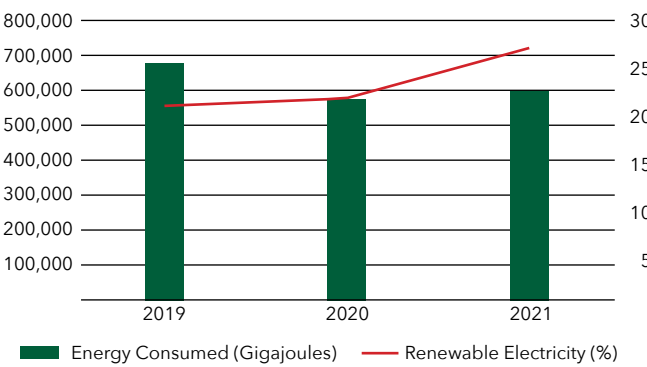
GHG EMISSIONS



GREENHOUSE GAS (GHG) EMISSIONS

In 2021, our Scope 1 & 2 GHG emissions were 19% less than our 2019 base year and already better than our initial 2025 emission goal due to reduced energy consumption and a higher mix of renewable power, as well as a shift of the mix of non-renewable energy sources, both onsite and via the power grid, favoring non-renewable sources with a lighter carbon footprint. Also contributing to this favorable comparison was the fact that our initial GHG emission measurements were overstated and, accordingly, our goal was set too high. Excluding the benefit of power purchase agreements, our Scope 1 & 2 GHG emissions were reduced 15% below base year levels.

ENERGY CONSUMPTION AND RENEWABLE ELECTRICITY



ENERGY MANAGEMENT

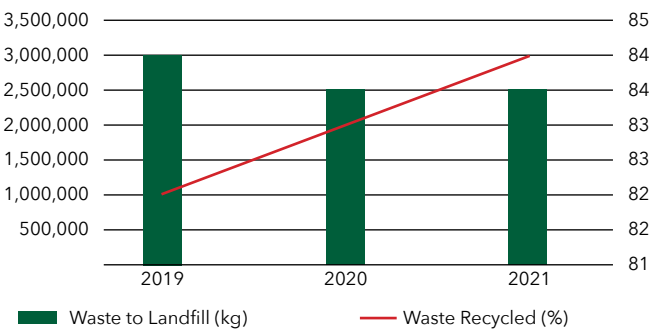
Our 2021 total energy consumption was higher than it was in 2020, which was heavily impacted by pandemic-related shutdowns, but down 10% from the 2019 base year. In terms of energy intensity, we have already achieved more than half of our initial 2025 energy intensity reduction target.

RENEWABLE ENERGY

Our percentage of renewable electricity to total electricity consumed increased to 27% due to a higher mix of renewable grid power, the purchase of renewable electricity via power purchase agreements, and the installation of onsite solar power systems. This was significantly better than our initial 2025 target of 20% renewable.



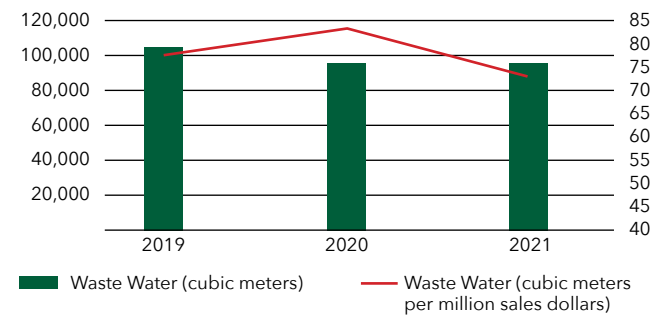
LANDFILL AND RECYCLED WASTE



WASTE REDUCTION & RECYCLING

In 2021, we generated about 2.5 million kg of landfill waste, down over 15% from 2019 and already below our initial 2025 goal. Our percentage of waste recycled, which includes the recovery and recycling of scrap metal, increased to 84%, nearly achieving the 2025 goal of 85%.

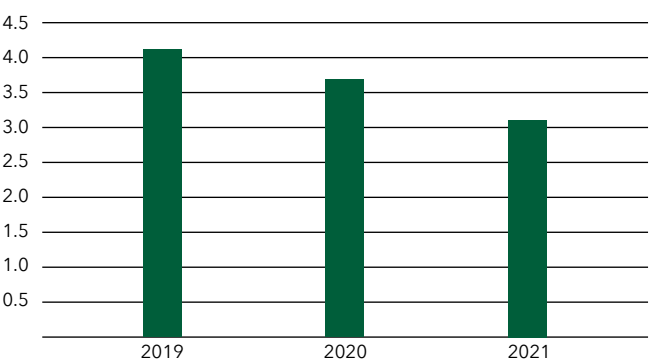
WASTE WATER



WATER CONSERVATION

In 2021, our waste water metric (total water usage less water recycled) was down 7% from 2019 and on track toward achieving our initial 2025 goal. During the year, two of our manufacturing operations, in Wisconsin and Brazil, implemented water recycling initiatives, and recycled water represented 2% of our total water consumption.

OSHA RECORDABLE INJURIES PER 100 EMPLOYEES



EMPLOYEE SAFETY

In 2021 our OSHA recordable injury rate was 3.1 recordable injuries per 100 employees, which is down from 4.1 in 2019 and nearing our 2025 target of 3.0 per 100 employees.

NEW SUSTAINABILITY TARGETS & GOALS



Since 2019, Alamo Group's sustainability initiative has been primarily focused on its own operations, on the resources we can best measure and control. We announced initial 2025 targets focused on total energy consumption, renewable energy usage, Scope 1 & 2 GHG emissions, landfill waste generated, percentage of total waste recycled, water consumption, and reduction in recordable injuries. Two years into the process, we have already achieved several of those targets, and we have nearly met, or are on track to meet, the rest of them.

We believe that it is now time to reset our goals with more aggressive commitments for improvement. Accordingly, we have revised our 2025 targets to reflect the progress we have made since 2019, and, in March, 2022, we took our first step toward an alignment with the [Intergovernmental Panel on Climate Change \(IPCC\) 1.5°C pathway](#) by committing to reduce our Scopes 1 & 2 emissions by

50% or more by 2030. We plan to achieve this target, for example, by reducing our energy consumption by one third and increasing our utilization of renewable electricity to at least 50%.

Because we were able to collect full-year sustainability metrics for the businesses we acquired in 2019, in this report we have chosen to set goals and disclose our sustainability metrics in absolute terms. In future reports, high organic business growth or additional acquisitions may require us to convert our goals and performance into different measurements of intensity to facilitate comparability. If that happens, the conversion will be transparent and reconciled to previously stated goals and comparable prior year results. We will prospectively discontinue using metric tons shipped to compute measures of intensity. We prefer to use ratios with activity bases drawn from reporting processes which are already

highly controlled and audited. Metric tons shipped is an effective activity base for companies whose sustainability metrics correlate highly with a relatively homogenous, steady state output. That is not representative of the Alamo Group product offering which is typically low volume and high complexity.

Based upon our materiality assessments, we believe that our Scope 3 greenhouse gas emissions are significantly larger than the Scope 1 & 2 GHG emissions that we currently measure and report. A major company in our industry recently reported that over 99% of their total emissions fell under Scope 3, and about 92% of their Scope 3 GHG emissions were attributed to the end use of the equipment they produce.

While we have control over reducing our own carbon footprint, reducing indirect Scope 3 emissions relies heavily on new product development and significant collaboration with both the customers and suppliers with whom we share the same carbon footprint. We do this not only by direct collaboration in the product development phase, but also through industry groups which help us, and similar companies, meet the challenges of identifying and efficiently measuring these value chain impacts.

Measuring Scope 3 emissions is also important because supply chain decisions often involve a trade-off. For example, upgrading laser cutting technology can dramatically improve the energy efficiency per foot of metal cut, but also increase in-house steel cutting capacity. Replacing two old technology laser cutters with one new machine will improve Scope 2 emissions, but if the additional capacity is filled by bringing in parts previously cut by external suppliers, then the related Scope 3 impact must also be considered to get a more complete understanding of the impact on total value chain GHG emissions.

In 2022, we will initiate a project to estimate a Scope 3 GHG emissions baseline against which we can measure the impacts of our product and supply chain development actions and set future targets.

REVISED 2025 AND NEW 2030 SUSTAINABILITY TARGETS

		2019 RESULTS	2020 RESULTS	2021 RESULTS	REVISED 2025 TARGETS	NEW 2030 TARGETS
Energy Consumption	Gigajoules	669,928	586,224	602,838	505,000	435,000
% Renewable Electricity	On-Site			1%	5%	10%
	Purchased			3%	3%	
	From the Grid	21%	22%	23%	30%	40%
	Total	21%	22%	27%	38%	50%
Greenhouse Gas Emissions (Scope 1 & 2)	Metric Tons of CO2 Equivalent Emissions	50,547	43,153	41,095	32,500	25,000
Waste Water	Cubic Meters	103,524	96,400	96,082	92,200	90,000
Waste	kg to Landfill	2,996,117	2,561,387	2,526,242	2,000,000	1,500,000
	% Recycled	82%	83%	84%	87%	90%
Safety	Recordable Injuries per 100 employees	4.1	3.7	3.1	2.5	2.3



Highlights:

Our revised 2025 targets are highlighted by a 35% reduction of Scope 1 & 2 GHG emissions below the 2019 base year level, supported by a comparable 25% reduction in total energy consumption and an increase of renewable electricity to 38% of total electricity consumption. We also target a 39% reduction in recordable injury rates, a 33% reduction of landfill waste and an 11% reduction of waste water from the comparative base year amounts.

Our new 2030 targets are highlighted by a 50% reduction of Scope 1 & 2 GHG emissions from the base year, supported by a comparable 35% reduction in total energy consumption and an increase of renewable electricity to 50% of total usage. We also target a 44% reduction in recordable injury rates, a 50% reduction of landfill waste and a 13% reduction in waste water from the base year.

Changes in Presentation and Scope:

These metrics and goals now include the material impacts of acquired companies from the beginning of the 2019 base year including the pre acquisition period. This change allows us to present comparable measurements and targets expressed in absolute terms.

Previous measurements included only the environmental footprint of manufacturing locations. New energy and GHG emissions measurements and targets presented above include the footprints of all Alamo Group facilities, including our distribution centers, truck upfitting facilities, vacuum truck rental stores and the corporate headquarters facility. Water and waste metrics cover only manufacturing operations.

SUSTAINABILITY INVESTMENTS

Since 2019, Alamo Group has made substantial investments in more sustainable technologies both in its own operations and in its new product development activities. Because many of our investments address multiple business objectives (including cost reduction, capacity and maintenance needs) declaring whether or not it is a “sustainability” investment may just be a matter of semantics. For example, our investments in inverter-type welding machines and fiber laser cutting technology are financially justified based on improved efficiency, capacity and quality, but such investments also come with significant positive impacts in terms of electricity consumption per unit of output. On the right we provide a summary of recent and planned capital expenditures which we determined have, or will have, a significant impact on our measurements of sustainability performance:

CAPITAL SPENDING WITH SUSTAINABILITY IMPACT (\$ MILLIONS)	2020-21PROJECTS	2022 CAPITAL PLAN
LED Lighting and Energy Management Systems	\$ 2.0	\$ 1.2
Welding Technology Upgrades	\$ 1.0	\$ 0.8
Laser Cutting Technology Upgrades	\$ 6.8	\$ 2.8
Onsite Renewable Energy Facilities	\$ 0.6	\$ 0.2
Energy Efficient Building Improvements & Other	\$ 0.3	\$ 2.5
Total Capital Authorized or Planned	\$ 10.6	\$ 7.5



Product development investments are usually expensed in the period they were incurred, and are aggregated to report company-wide Research & Development expenditures. Similar to other investments, many product development projects are funded based upon multiple business objectives, including maintaining or gaining market share, creating new end use applications, and improving margins to name a few. Those projects which adapt our products to different, lower carbon energy sources we can easily identify as “sustainable” product development. A little harder to identify are the many projects to design products which allow our customer to operate more efficiently, lower the total cost of ownership or improve fuel economies. These too can have meaningful effects on our Scope 3 GHG emissions. In 2022, as we determine how best to measure our Scope 3 impacts, we will establish more definition around and provide some useful information related to the product development actions with significant Scope 3 impact.

ENVIRONMENTAL RESPONSIBILITY



Our sustainability efforts are focused on the environmental impacts of our own operations and the collaborative work of sourcing, manufacturing, and selling more sustainable products. We also make a positive impact by leading and participating in conservation and sustainability projects within the communities where we work and live. We not only make investments to reduce our energy consumption, water use and the amount of waste we send to landfills, we also make investments in renewable energy, waste recycling and biodiversity in our green spaces. It is our goal to reduce the impacts of our operations and create net positive environmental impacts throughout our value chain. In this report, the discussion of our environmental performance and commitments include:

- Energy Management
- Renewable Energy Sourcing
- Greenhouse Gas Emissions
- Waste & Recycling
- Water Conservation
- Sustainable Product Development

Environmental Management Systems - Each of our operations has identified and complies with all local and federal environmental regulations, and we continuously look for ways to reduce our environmental impacts. Our companies continue to improve processes, enhance workplace health and safety, and reduce air and water emissions, as well as our overall waste stream.

At Alamo Group, we utilize an Environmental Management System (EMS) following a continuous improvement approach. Each Alamo Group company has identified the environmental regulations and requirements for their region and has implemented policies and procedures to meet these requirements. Alamo Group's Safety and Environmental Compliance teams conduct Environmental Evaluations (Audits) at Alamo Group companies in accordance with federal and local requirements to ensure that the Company's environmental policies and procedures are being effectively implemented. The team identifies needs for improvement of the environmental programs, engages with each company to enhance their positive environmental performance, and provides oversight of their reporting, improvement, and training activities.

Some of our Alamo Group companies have become ISO 9001 certified to improve their product quality systems and increase control of their processes. In 2020, our Rivard® facility in Daumeray, France was the first Alamo Group facility to receive an ISO 14001 certification of their environmental management systems.

Alamo Group operations in the U.K. are also working towards achieving an ISO 50001 certification of their energy management processes.

To ensure appropriate oversight of environmental issues, Alamo Group business unit leaders are accountable for environmental compliance at their respective facilities. Each leader assigns a site representative or Environment, Health, and Safety (EHS) manager to oversee compliance with the environmental permits, all EHS regulations that apply to their facility and be responsible for the day-to-day management of environmental issues, including compliance, performance tracking, and continuous improvement.

ENERGY MANAGEMENT



		2019 RESULTS	2020 RESULTS	2021 RESULTS	REVISED 2025 TARGETS	NEW 2030 TARGETS
Energy Consumption	Gigajoules	669,928	586,224	602,838	505,000	435,000

As identified in our Materiality Assessment, our own energy management is one of the material areas we need to address. Fortunately, this is also an area where we can make significant investments to improve our energy efficiencies, provide excellent financial returns, and make employee-friendly improvements to the workplace. To those ends, we have made significant investments in energy efficiency, such as LED lighting and energy management systems, enhancements in laser cutting and welding technologies, fixing leaks in compressed air distribution systems, improving the heating and cooling efficiencies of our buildings and participating in ENERGY STAR programs. We have also made improvements in our energy consumption by consolidating our physical footprint and exiting older, energy inefficient facilities heated by fuel oil.

Our efforts to date have produced positive results. While our overall energy usage is up from Covid-impacted 2020 results, it is down 10% from 2019 usage levels despite comparable production output. Our 2021 improvement was largely driven by some of our earlier investments in LED lighting, laser cutting and welding equipment

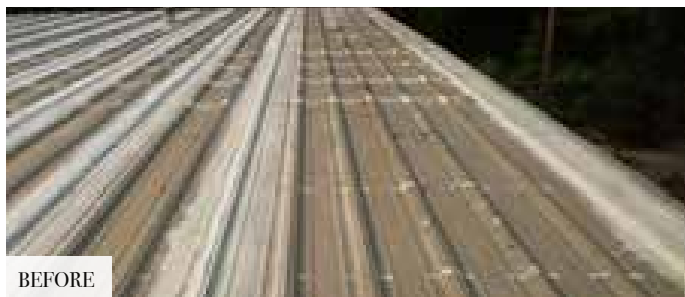
upgrades, as well as simple actions like better insulating our facilities, repairing compressed air system leaks and promoting better employee awareness of energy conservation opportunities throughout our company.

Partially offsetting the positive effects of the actions noted above was an increase in energy consumption due to the addition of shift work and elevated production activity at several of our operations, driven by record high order backlogs, as well as a net physical footprint expansion when we opened our new vacuum truck manufacturing facility which included the insourcing of major operations such a painting and welding. Insourcing should also create an offsetting reduction in energy usage by our suppliers, but that is not an impact we currently measure.

Our 2030 goals target an additional one-third reduction in energy consumption from the 2021 usage level. We believe that much of the investment necessary to reach these goals has been either recently completed, is already in process or is included in our near-term planning horizon. We expect to see the full year effects of these actions in our 2022, 2023 and 2024 sustainability performance.

Conducting periodic energy audits helps us determine the most cost-effective energy efficiency measures like replacing heating units, air conditioning units, fans, or compressors for more energy efficient ones, placing equipment on timers and sensors to control energy usage, detecting and repairing air leaks, and ensuring air compressors and other equipment are powered off at the end of the last shift each day. Improvements are being made to our facilities’ building envelopes which consist of a range of elements such as roofs, walls, windows, and foundations. Improvements in building envelopes from better insulation, air sealing, reflective surfaces, high-performance windows and fast closing doors, combined with proper ventilation reduce the heating and cooling load and allow lower utilization or downsizing of heating and cooling equipment for our facilities. We are also finding ways to reuse or efficiently vent the heat generated by air compressors, paint ovens and other process equipment to improve the energy efficiency of heating and cooling our facilities.

Some examples of recently completed projects are outlined below:



BEFORE



AFTER



ROUSSEAU FACILITY BEFORE



ROUSSEAU FACILITY AFTER

Building Envelope Improvements: In October, 2021, our snow equipment manufacturing facility in Leavenworth, Kansas replaced an old, heat absorbing, leaky roof with a fully sealed & coated roof, which helped facilitate more energy efficient climate control during cold winter months. Energy efficient building envelope performance is essential to reducing our facilities energy consumption. Space heating and cooling account for majority of our global energy consumption and Scope 1 GHG Emissions.

Lighting upgrades: Building upon highly successful 2020 LED lighting and energy management systems project at our Ohio excavator plant, in 2021 new LED lighting was installed throughout all our U.K. facilities, realizing about \$150,000 annualized cost savings and avoiding 200 tons of CO₂eq emissions. Our Rousseau facility in Neuville sur Saone, France also completed LED lighting upgrades, realizing a 234,000kWh annualized electric consumption reduction and significantly improving visibility from 200 lux to 500 lux. LED lighting conversions for all Alamo Group facilities will be completed by the end of 2023.

Upgrading to Energy-efficient HVAC equipment:

Reducing the energy consumption of HVAC equipment involves installing metering technology, upgrading to more energy efficient heat pumps and air-conditioning systems, installing radiant ceiling cooling/heating systems, and upgrading the heat recovery ventilation technology in our facilities. For example, when the frigid winter temperatures arrived, our Old Dominion Brush manufacturing facility in Richmond, Virginia incorporated smart timers to heating systems for localized spaces throughout the facility. While conserving previously wasted energy, this provided a comfortable climate for workspaces for our team at the start of workdays and eliminated the burden of manually cycling units at the end of each day. Further enhancing their commitment to reduction of wasted energy, they also completed repairs on 21 compressed air leaks identified during their leak audit over the winter months.



RENEWABLE ENERGY SOURCING

		2019 RESULTS	2020 RESULTS	2021 RESULTS	REVISED 2025 TARGETS	NEW 2030 TARGETS
% Renewable Electricity	On-Site Solar			1%	5%	10%
	Power Purchase Agreements			3%	3%	
	From the Grid	21%	22%	23%	30%	40%
	Total	18%	20%	27%	38%	50%



Timberwolf, Alamo’s latest U.K. acquisition, has a 55kw Solar PV array, producing 50Mwh of energy annually, as well as eight 11kw electronic vehicle (EV) charging points and seven EV’s in their fleet.

In 2019 and 2020, our mix of renewable energy was only what was available to us from the grid. In 2021, we began to change this by making investments in onsite solar power capacity and renewable power purchase agreements. As a result, we reduced our usage of residual grid power from 100% to 96% of our total consumption. In April 2021, we began producing renewable solar-powered electricity from a rooftop 386,000 kW system at our Mukwonago, Wisconsin vacuum truck plant. In October 2021, we began purchasing 100% renewable electricity for Alamo Group’s U.K. operations via a power purchase agreement.

Our plans include generating 5% of our total electricity usage with on-site renewable facilities by 2025, increasing to 10% by 2030. We believe that the proportion of renewables in residual grid power will also continue to grow. If this growth does not meet our expectation, then we will evaluate development of more onsite renewable power capacity and use renewable power purchase arrangements to meet our target. Our new targets are to increase our sourcing of renewable electrical power to 38% of total consumption by 2025 and to 50% by 2030.

Renewable Power from the Residual Grid:

- Our Brazilian and our Quebec-based operations use nearly 100% renewable hydroelectric grid power.
- Our Dutch companies are predominantly using renewable grid power from wind, solar, and biomass energy sources.
- Our French companies take their electric power from a low-carbon grid predominantly fueled by nuclear and renewable hydroelectric power generation.



Alamo Group’s Super Products vacuum truck production facility in Mukwonago, Wisconsin began producing renewable electricity from their rooftop Solar PV array in April 2021. This system is anticipated to provide about 400,000 kWh of renewable power annually, or about one third of this facility’s electric power consumption.

GREENHOUSE GAS EMISSIONS

		2019 RESULTS	2020 RESULTS	2021 RESULTS	REVISED 2025 TARGETS	NEW 2030 TARGETS
Greenhouse Gas Emissions (Scope 1 & 2)	Metric Tons of CO2 Equivalent Emissions	50,547	43,153	41,095	32,500	25,000

We believe that every company should carefully measure and manage its own (Scope 1 & 2) greenhouse gas (GHG) emissions footprint to improve its resource efficiencies and reduce its environmental impact. We need to be good stewards of the resources we manage, and it’s the right thing to do. As an initial goal, we are committed to reduce our Scope 1 & 2 emissions 35% by 2025 and at least 50% by 2030. We are well on our way toward achieving that target. In 2021 these emissions were already nearly 19% lower than our 2019 baseline. Reduced energy consumption and increased use of renewable power in our operations are the primary drivers of these GHG reductions. We have further reduced GHG emissions by shifting our mix of energy consumption away from higher emission fuel oils towards lower-emission non-renewable alternatives and significantly reducing volatile organic compound emissions from the paints and solvents we use.

Another initiative at many of our facilities is the replacement of propane powered material handling equipment with low emissions electric battery power units. For example, 80% of handling equipment at our Ludlow,

U.K. facility is now electrically powered, and half of our fleet of 22 forklifts at our Selma, Alabama plant are now electric battery powered, and their recharging stations are connected to an onsite solar power generation system. The remaining Selma forklifts are budgeted to be replaced in 2022.

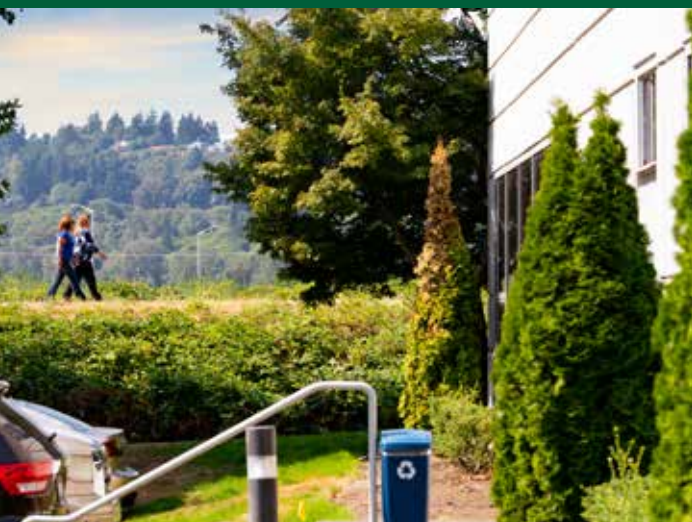
While we have made good progress reducing our own emissions, our materiality assessments and customer engagement activities inform us that the greenhouse gases we emit from our own factories, warehouses, and distribution centers, likely make up only a small part of our total GHG footprint. We believe the most significant GHG footprint we have is the indirect Scope 3 footprint we share with our customers and suppliers. Some of our initiatives to reduce Scope 3 emissions are described in the Sustainable Product Development section of this report.

In 2022, we will work to define and estimate our material Scope 3 GHG emissions. In future reports, we plan to disclose these emissions estimates as well as the costs and estimated emissions benefits of sustainable new product development and supply chain collaborations.

50% GHG emissions reduction by 2030

We will reduce Scope 1 and 2 greenhouse gas emissions from our own operations by 50% by 2030 against a 2019 baseline.





CASE STUDY:

NITEHAWK SWEEPERS: A CARBON NEUTRAL, GREEN-ENERGY FACILITY

On April 1st of 2021, NiteHawk Sweepers in Kent, Washington became our first fully carbon neutral facility powered exclusively by green energy.

Located in the beautiful Puget Sound region of the Pacific Northwest, NiteHawk Sweepers is helping to preserve its rich environment and ecosystem by powering their offices and manufacturing with 100% renewable energy. In addition, they have achieved a fully carbon neutral production process. For any CO₂ output not eliminated by green energy sources, NiteHawk offsets remaining emissions by using a Carbon Balance initiative, or invests in local projects, to reduce their CO₂ amount released into the atmosphere.

One of the Carbon Balance projects is the Winston Creek Forest Carbon Project, a 10,000-acre, family-owned operation in southwest Washington. Their innovative farming practices raise trees through prime carbon capture years (age 35-60), before harvesting. Forest lands are also maintained to ensure clean water and safe habitat for multiple endangered species.

It is important to note that Alamo Group's sweeper products themselves help the environment by collecting trash, dirt, dust, and heavy metals that, if not removed from paved areas, are likely to be picked up in storm run-off and contaminate waterways.

WASTE AND RECYCLING

		2019 RESULTS	2020 RESULTS	2021 RESULTS	REVISED 2025 TARGETS	NEW 2030 TARGETS
Waste	kg to Landfill	2,996,117	2,561,387	2,526,242	2,000,000	1,500,000
	% Recycled	82%	83%	84%	87%	90%

Alamo Group companies are responsible for designing and implementing waste diversion strategies tailored to their operations, geography, and product lines. We continue to improve these programs by identifying additional waste reduction, reuse and recycling opportunities, providing ongoing employee education, and seeking out the best waste solution providers. In 2021, we reduced our landfill waste by over 15% as compared to our 2019 baseline, and we have set targets to reduce landfill waste 33% and 50% below the base year levels by 2025 and 2030, respectively.

Waste Reduction – Most of our waste reduction efforts are focused on the crates, pallets and other packaging materials we receive from our inbound supply chain. Working with our suppliers, we are reducing unnecessary packaging though the use of returnable racking and other reusable containers which can be picked up by and be continuously reused by suppliers who make regular deliveries to our facilities. For example, our U.K. facilities have begun receiving over 500 tons of inbound product in reusable or returnable packaging from selected vendors, and our leaf vacuum and sweeper broom plant in Virginia extensively uses returnable dunnage for wire delivery and processing.

Reuse and Recycling Waste – All of our companies have implemented initiatives to reuse inbound packaging materials to facilitate outbound shipments or recycle these materials whenever possible. We have made investments in cardboard shredders, balers and compaction equipment to facilitate the reuse or recycling of the corrugated materials we receive. We work with some suppliers to design inbound crating that can be efficiently stored and reused for outbound shipments, and we have implemented recycling programs to address other waste streams. In 2021, the largest portion of recyclable waste, by weight, remains scrap metal, and our facilities are exploring options to leverage the scale economies of our combined output to further improve production yields and the economic value received for the metals we recycle.



Managing Hazardous Waste – At each Alamo facility, we have a designated Environmental, Health, & Safety (EHS) leader who manages the hazardous waste disposal process while facilitating a safe work environment that complies with local, state, and federal regulations. Hazardous waste is properly handled in our facilities following proper safety protocols and hauled away by licensed operators for recycling or disposal. Our Corporate Environmental Compliance team provides oversight for managing hazardous wastes in our facilities:

- **EHS Consultations:** We help our facilities identify all their waste processes and determine the best solutions for containment and removal.
- **Site Audits:** We ensure each facility has the required documentation for hazardous waste removal shipments and is current with latest regulatory standards.
- **Site Assessments:** A hazardous waste site assessment proactively addresses potential concerns during an inspection from OSHA, the EPA, or another regulatory agency. We evaluate each facility, uncover any potential environmental safety issues, and help develop solutions for bringing our facility into compliance.



WATER CONSERVATION

		2019 RESULTS	2020 RESULTS	2021 RESULTS	REVISED 2025 TARGETS	NEW 2030 TARGETS
Waste Water	Cubic Meters	103,524	96,400	96,082	92,200	90,000

In order to assess risks related to water scarcity near Alamo Group operations, our locations were analyzed by address using the [World Resources Institute's](#) water risk atlas application [Aqueduct™](#). The results showed that none of our manufacturing operations reside in high water risk areas, and most of our plants are located in geographies with a low-to-medium water risk. Nevertheless, we believe that water conservation is an important part of our efforts to improve our resource efficiencies and we remain focused on reducing water usage, costs and waste.

Some of the ways we are working to improve our water usage include:

Recycling Water - Recycling water initiatives have been implemented by our manufacturing facilities in Brazil and Wisconsin. In 2021, these facilities recycled 2% of total Alamo Group water consumption.

Reclaiming Water - Alamo Group manufacturing facilities in the U.S., Brazil, the U.K. and France have implemented water reclamation initiatives and are now using rainwater collection systems to conserve and reduce water usage.

Water System Upgrades - In 2021, Alamo Group's U.K. Vegetation Management Division operations achieved an 80% reduction in water usage by utilizing the [“Every Drop Counts” initiative](#), which included implementing a rainwater harvesting program, addressing leakage and water usage across their facilities, and completing water infrastructure improvements.

The production, treatment, and delivery of water is a significant source of greenhouse emissions, and Alamo Group will assess and continue to reduce the indirect GHG emissions caused by our water consumption in the coming years.

SUSTAINABLE PRODUCT DEVELOPMENT

Alamo Group will continue to make significant progress toward reducing its own environmental footprint, but our materiality and risk assessments indicate that we may face some potentially large climate-related challenges to our sustainable growth objectives. Many of these are found in the environmental footprints we share with other members of our value chain, particularly our customers and suppliers. Because we share these environmental footprints, reducing our impacts requires collaboration. As a result, the focus of our sustainable business practices must also focus on the design and development of the products we manufacture and sell, as well as the supply chains that support our production processes.

We employ long range product planning tools to guide our product development programs and to establish priorities among them. In addition, we are investing in new technologies that will support our sustainability goals, now and in the future.

The equipment we manufacture is primarily used by local governments, industries, farmers, ranchers, and contractors to maintain vital infrastructure and produce food. Advances in alternative energy technologies will help us design products with reduced environmental impacts, and our customers are constantly finding ways to use our products to produce positive environmental handprints. Many Alamo Group products are already addressing climate risk adaptation from our forestry and mower products to our snow removal, vegetation control and waterway equipment.

Reducing our Products' Environmental Footprints - The power source needed to operate the heavy equipment we produce is usually a diesel engine. In recent years, we have redesigned our products to accommodate progressively cleaner diesel engine technologies but advances in electric vehicles and other alternative fuel technologies are opening doors to a variety of power platforms that could be used for many of our future products. Developing these platforms and integrating [Life Cycle Analysis](#) into our product development processes will be critical to our future success.

Our sustainable product development initiatives fall into five major categories:

- Reducing GHG Emissions with Electrification
- Increasing Fuel Efficiency and Lowering Emissions with Advanced Technology
- Increasing Fuel Efficiency and Lowering Emissions by Reducing Product Weight
- Promoting Biodiversity by Removing Invasive Species or Minimizing Footprints
- Managing Product Safety



REDUCING GHG EMISSIONS WITH ELECTRIFICATION



Our Conver C485-E, The World's First Electric Mowing Boat - Not only has the conventional Conver 485 won a [NENnovation award](#) this year, but in June, 2021, Conver launched the world's first electric version of the award-winning mower boat, the Conver 485 E. This state-of-the-art equipment allows the user to work quietly, while providing one full day of mowing on one battery charge. Dutch contractor Ed Austria, one of Conver's clients to first test this electric mowing boat said, "I have to invest in sustainability. That allows me to score a tender advantage. If I don't, all I can get is work based on the lowest price. That's partly why this electric mower is such a fantastic development."



Alamo Group unveiled a new **Dixie Chopper electric zero-turn concept mower** at the 2021 GIE+EXPO show in Louisville, Kentucky. Dixie Chopper has led the outdoor power equipment industry through the years by pioneering alternative fuels in zero-turn mowers. They were the first to bring propane (LP) mowers to market with an engine designed for propane without a conversion kit, and the company was the first to release the industry's first compressed natural gas (CNG) commercial mower. The initial electric concept mower incorporates a commercial-duty 58-volt design utilizing Hydro-Gear Smartec components for the deck motors, drive motors, controllers, and battery packs. The Dixie Chopper staff used the GIE+EXPO show as an opportunity for feedback from attendees on the features of the concept mower, while also gauging the customer interest in commercial electric zero-turn mower products.



Fully Electric Remote Control Mowers are being developed by our McConnel vegetation management business in Ludlow, U.K., the RC32e, to fast-track emerging sustainable technologies such as batteries, intelligent power usage, telematics, GPS autosteer and semi-autonomous functionality.

Advanced Vehicle Technology Center

In 2021, Alamo Group hired a Director of Advanced Vehicle Technology and has staffed an Advanced Vehicle Technology Center located in Huntsville, Alabama. This team has been working on the design, development and integration of electric and hybrid powertrain systems that meet performance goals of our manufactured products. Working with our customers, suppliers and manufacturing operations, this group is an important resource for developing new and adapting existing Alamo products to different power technologies.

INCREASING FUEL EFFICIENCY AND LOWERING EMISSIONS WITH ADVANCED TECHNOLOGY



Hybrid Electrification of Rousseau Power Arm Flail Mowers – These products, manufactured at our plant in Neuville sur Saone, France, offer an electrically driven rotor powered by an electric transmission, eliminating the need for a hydraulic tank, and greatly reducing GHG emissions. In addition to reducing fuel consumption, the E-TP technology provides a reduction in noise pollution and maintenance costs. The E-TP line has no battery, so the power is transmitted by the power take-off (PTO) of the tractor, and it is completely powered off when the PTO isn't engaged, enhancing operator safety.



Our **AGRIBUGGY2 self-propelled crop sprayer** is about 65% more fuel efficient than rival hydrostatic sprayers. It features the latest low-emission Tier 5 engine technology and a unique mechanical drive train for greater fuel economy.



The **Spearhead Stubble Management system** has been designed to improve the efficiency of every operation involved in the growing of crops by reducing fuel consumption while both increasing operational capacity and nutrient levels. According to an [academic study by Dresden University in Germany](#), longer stubble height can increase combine capacity by up to 50% and at the same time decreases fuel consumption by up to 40%. Farmers working with the Stubble Master in Germany reduced harvest costs by up to €36 per hectare by increasing the stubble height to 35cm.



Old Dominion Brush (ODB) creates products that are “Engineered for a Green Planet”, or Eco Mode™, a simple and effective innovation that increases operating capacity by up to 208%. First-hand account and telemetric data have shown that customers often run vacuums at 100% power for extended periods, even when they are not vacuuming up leaves or debris. By adding a sensor that detects when leaves are moving or not into the fan housing, the engine automatically reduces speed, significantly reducing fuel consumption. Other benefits include a 50% reduction in noise, particulate velocity, and moving component wear while in Eco Mode.

INCREASING FUEL EFFICIENCY AND REDUCING EMISSIONS BY REDUCING PRODUCT WEIGHT



Some of our companies have begun using high-strength steels to reduce machine weight and improve use-phase fuel efficiency. The [McConnel Power Arm PA 4830 VFR](#) utilizes high-strength steel throughout the machine, enabling the machine weight to be reduced by 18% which allows it to be fitted to smaller, more fuel-efficient tractor units.



Ideal for highways and roadways with multiple lanes, the [Tenco Wide Wing System \(WWS\)](#) utilizes high-strength steels to reduce system weight and double the plowing capacity of a single work truck, allowing the clearing of multiple lanes of snow and ice in a safe manner. Using only one truck, the new plow design pre-wets, and spreads deicer/abrasive materials and clears two lanes and shoulder or any other configurations up to 27' wide in a single pass. Engineered to tackle various snow depths and types, it features a 21-foot wing, 12 or 14-foot reversible front snowplow, 17-cubic-yard capacity body/spreader, pre-wet brine tank, control, and safety systems.



Sugarcane producers are always looking for ways to meet their fast-paced market demands. Our Santa Izabel business unit in Brazil collaborated with key supply chain members to develop an innovative fleet of level II autonomous [transshipment trucks for the Brazilian sugarcane fields](#). Santa Izabel's contribution to the 20 Ton Grain Transshipment collaboration was its novel cage construction utilizing high-strength steel and reducing 8,818 lbs. from the overall weight of the equipment. This weight reduction contributes to a 40% fuel efficiency improvement and faster resumption of operations after rainstorms. Other environmentally-friendly features of this product include 20% smaller tires compared to tractor alternatives, which reduces the soil compaction area, and an estimated 33% longer service life than the incumbent equipment.

PROMOTING BIODIVERSITY BY REMOVING INVASIVE VEGETATION OR MINIMIZING FOOTPRINTS

Several of our vegetation maintenance products are designed to protect ecosystems and promote biodiversity. Below are examples of products that help our customers remove non-native invasive vegetation and reduce eco system impacts.



[Harkboot.nl BV](#), in collaboration with Alamo Group's Conver business unit in The Netherlands, developed a new effective technique for removing unwanted invasive rooting aquatic plants with a rake system. For this innovation, Harkboot received a [2021 NENnovation Award](#). This ground-breaking raking solution improves conditions for native species, enhancing water flow, and making the canals more suitable for recreational activities like fishing, sailing and swimming.



The **Herder Ecochopper** is an innovative mower with a built-in shredding unit based on the principle of a disc mower. Mainly due to changes in land use, pollution and climate, the biodiversity of living organisms on our planet has been declining in recent years. Some of our governmental customers are looking for sustainable solutions to maintain or restore diverse ecosystems. Economically, the disposition of waste grass clippings can be a large expense for some customers, while well-cut grass, particularly spring grass, has potential economic value for composting to generate biogas or hydrogen or reuse for recycled materials such as paper. Because the Herder Ecochopper operates like a disc mower, there is no suction, so seeds, insects and small mammals remain on the ground, promoting biodiversity, and the freshly mowed clippings are free of sand and dirt, increasing their potential recovery value.



In the U.K., the [McConnel new RC Spot Sprayer](#) is semi-autonomous spot sprayer that significantly reduces chemical usage by identifying sward (grass) and then applying a targeted and precise amount of the chemical. Chemical usage is reduced by up to 90%, resulting in significant cost savings and reduced environmental impact.

MANAGING PRODUCT SAFETY

Managing Regulated Chemicals

To manage harmful chemicals and noxious substances both in the manufacturing process and wherever our products are being used, Alamo Group companies use best practices in compliance with regulators for workplace health and safety, all national, state, or provincial and local employee safety, environmental protection and transportation agencies, and other governing bodies that have specific requirements.

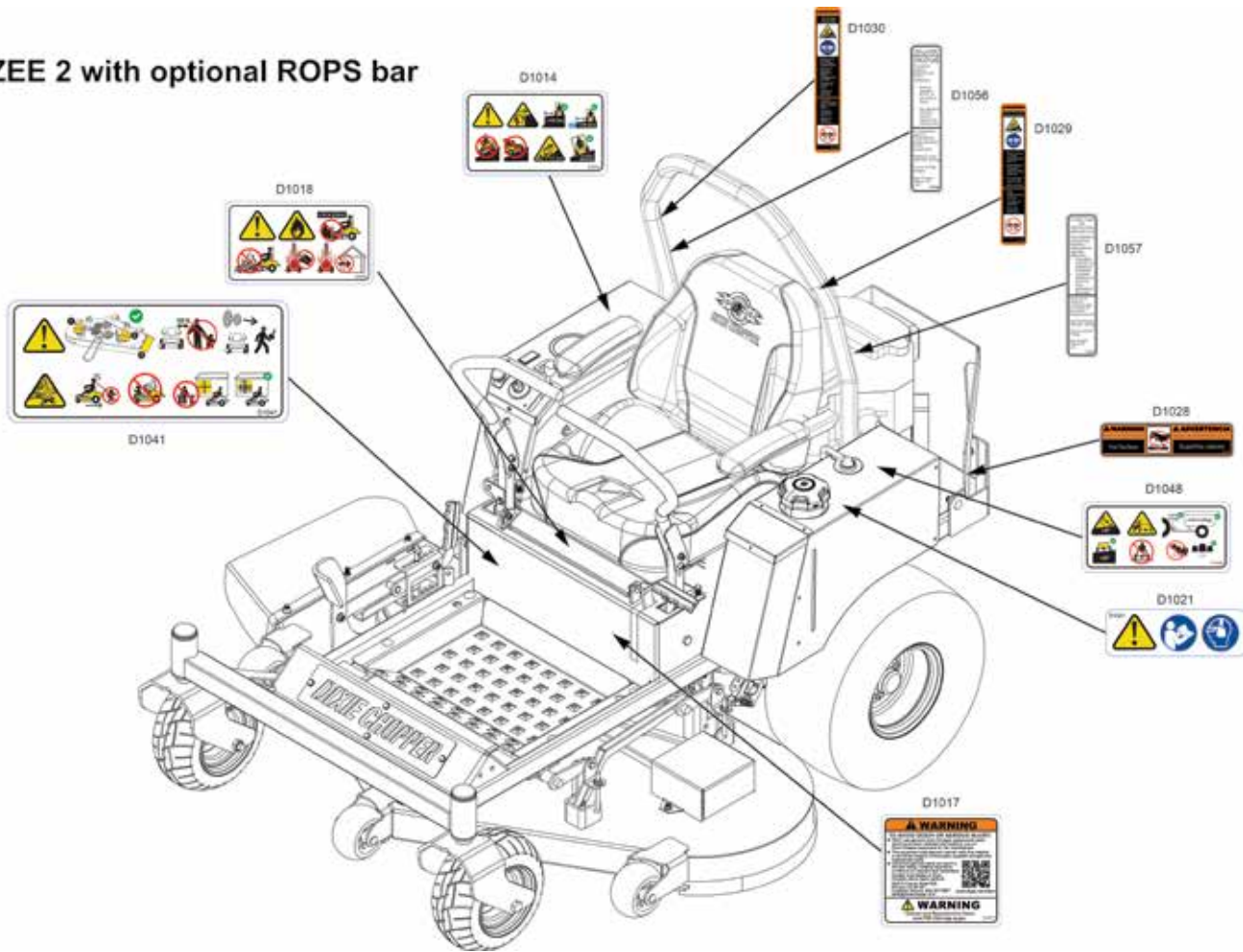
Mixtures, fuels, solvents, paints, and dusts are all considered hazardous chemicals or materials that may be present in our facilities. Extensive employee training is provided to help workers identify hazardous chemicals and noxious substance; assess and control their risks in the workplace; understand the regulatory requirements, and safely store and transport these materials.

In 2021, there have been many updates in the global and domestic chemicals regulations that are likely to have a significant impact on how we manage supply chain and product safety. The corporate Technical Affairs and Safety team have worked closely with Alamo Group companies to obtain data from suppliers to better understand where, if any, of these harmful chemicals are being used, and what are safe substitutions options that protect the safety and function of our products and ensure the safety of any operators engaged in disassembling our product during their end-of-life phase.

Product Warning Labels

Adequate warning labels in our products are perhaps the one non-biodegradable component. Not only because as a manufacturer we have a duty to warn our customers of any danger from the intended or unintended, but reasonably foreseeable, use of our products. In addition, all our publications meet the requirements of the applicable American National Standard Institute ANSI Z535 series of standards; ANSI is an American standard organization that sets forth a system for presenting safety and accident

ZEE 2 with optional ROPS bar



prevention information. The VP of Technical Services and Safety and the Supervisor of Technical Publications, or Tech Pubs, are both members of the ANSI Z535 Committee, meaning that they have firsthand knowledge of any changes or updates to the standards and are considered experts in the comprehensive collection of standards guiding the design, evaluation, and use of safety signs, colors, and symbols intended to prevent personal injury by visually alerting people of potential hazards of any Alamo Group equipment.

The Corporate Tech Pubs team has oversight of product safety publications for all Alamo Group companies. Publications are created in collaboration with the engineering and safety teams, and Tech Pubs provides oversight of over 900 publications, including Parts Catalogs, Operator's Manuals, Technical Manuals, Component Technical Manuals, Installation Instructions, and Educational Curriculum, as well as translations, if needed. There are 39 Tech Pubs members across the Alamo Group of companies.

PEOPLE & COMMUNITIES

OUR COMMITMENT TO DIVERSITY & INCLUSION

Throughout the years, a foundational component of our Alamo Group culture has been the importance of treating every individual with professionalism, dignity, and respect, no matter their background and position.

At Alamo Group we recognize, value, and respect the individual differences of our employees, customers, suppliers, and other stakeholders. We believe that a diverse set of backgrounds, experiences and perspectives is crucial to our ability to continue to innovate, collaborate, and meet the needs of our global workforce and customers.

Consistent with this philosophy Alamo Group provides Equal Employment Opportunities for qualified individuals without regard to race, national origin, color, religion, age, genetics, sex, sexual orientation, gender identity or expression, disability or veteran status.

“Over the years, we’ve built a company with a strong sense of family and with a tradition of continuous improvement. Diversity and Inclusion are core to, and supportive of, both of these key aspects of our corporate culture. We want everyone to feel safe and welcomed here, to be given challenging new opportunities, and to find ways to express themselves through their work. Diversity and Inclusion make us stronger, more creative and ultimately more profitable.”

– Jeff Leonard, Alamo Group CEO

The Company is committed to encouraging and fostering an inclusive culture where diversity and individual differences are accepted, respected, and valued so that everyone feels empowered to contribute fully to the Company’s success.

This journey is an ongoing commitment and a process of continuous improvement for our team.

GOALS

- Increase representation of women and racially & ethnically diverse individuals, at all levels of the company, to reflect the communities in which we operate
- Be an Employer of Choice
- Positively impact our people and the community

EMPLOYEE WELLNESS & FAMILY-FRIENDLY BENEFITS

In addition to salary, benefits offered to employees vary by company location, country, or region.

For our US-based companies, the most common benefits include medical, dental, and vision coverage, wellness programs, short- and long-term disability, life insurance, retirement benefits, vacation days, holidays and other paid time off, sick days, and fringe benefits such as tuition assistance, dependent scholarships, flexible spending accounts for healthcare and dependent care, employee discounts, profit-sharing and/or performance bonus eligibility, and opportunities for training and development.

- Benefits are available for same-sex and domestic partners
- Two employee assistance programs available for employees and family
- Paid sick time includes care for family illness and medical appointments
- 401(k) retirement plan with company match
- Parental leave under FMLA
- Over \$300k in dependent scholarships awarded since 2013
 - In 2021, over 100 U.S. dependents were recipients of dependent scholarships totaling \$37,500
- Similar benefits are offered to our employees in other countries based on local laws and traditions

OUTREACH EFFORTS TO SUPPORT DIVERSITY

Alamo Group has broadened outreach efforts to recruit and retain more women and minorities in manufacturing. A demographic comparison of employees between 2017 and 2021 revealed Alamo Group's outreach efforts have yielded an increase in diversity by gender and race in most job categories including Executives and Managers. These actions include participating in high school and vocational training school career days, offering plant tours, attending job fairs specifically for veterans, and pressing search firms to source more diverse candidates, including those who are not actively seeking new opportunities to attract them to our company.



DIVERSITY JOB
SITES UTILIZED

24

DISABILITY JOB
SITES UTILIZED

16

VETERAN JOB
SITES UTILIZED

17



DEVELOPING FUTURE GENERATIONS OF SKILLED WORKERS

Four Alamo Group operating companies and the Corporate Office participated in the 2021 Manufacturing (MFG) Day. Sponsored by the National Association of Manufacturing and the Manufacturing Institute, MFG Day offers hundreds of companies across the globe a way to promote manufacturing as a career path to students, parents, educators, and the community. Each location participated by showcasing their facilities and employees' experience in videos released on [CreatorsWanted.org](https://creatorswanted.org).

EMPLOYEE DEVELOPMENT

TRAINING & EDUCATION

Our employees continuously learn and shape our work environment, so it is important to learn about and understand all of our unique differences, and to ensure they are acknowledged and respected. We emphasize these points when facilitating our training programs, Respect in the Workplace and Open Door.

In addition to mandatory awareness training, we support our employees through educational and career development opportunities.

Since the Tuition Reimbursement Program was created in 2012, Alamo Group has awarded over \$143,000 in tuition assistance to employees seeking to advance their skills and careers.

In 2021, Alamo Group spent \$24,000 to support the Tuition Reimbursement Program in the U.S.

FEMALES WHO
RECEIVED EDUCATION
ASSISTANCE EARNED AT
LEAST 1 PROMOTION

57%



CORPORATE MEMBERSHIPS

Supporting Women (and Men!) in Manufacturing!!!

Alamo Group joined the Women in Manufacturing association as a Corporate Member in 2021. Every woman and man working at Alamo Group is eligible to join WiM through our corporate membership. Members enjoy access to virtual, local, and national events, online educational resources, and networking opportunities to grow their careers.



OUR WORKFORCE
WHO JOINED WOMEN
IN MANUFACTURING

10%

SUPPORTING OUR COMMUNITIES

In 2020 when the pandemic impacted our communities in ways not previously imagined, Alamo Group reprioritized where we would contribute our corporate donations. We focused on helping communities with homelessness prevention and re-stabilization, food security, mental health services, and resources supporting vulnerable children. Alamo Group continues to find ways to give back to our communities with canned food collections, warm clothing drives, and other volunteer events.



DONATIONS MADE TO COMBAT VETS



CANNED FOOD DRIVE FOR COMMUNITY STABILITY



TOY DRIVE FOR CHILDREN IN NEED

ALAMO GROUP
DONATIONS IN 2021

\$262,000



COAT & BLANKET DRIVE FOR HOMELESS SHELTER

GOVERNANCE & ETHICS

Alamo Group has implemented a strong corporate governance and ethics framework that provides the foundation for all our corporate responsibility efforts and is consistent with our high standards of operational excellence, ethics, integrity, and transparency.

CORPORATE GOVERNANCE

We believe sound governance practices are fundamental to achieving our long-term sustainable growth objectives. The Alamo Group leadership team, led by our CEO, has responsibility for the day-to-day management of our business while ultimate oversight of the business rests with our Board of Directors.

Directors are nominated based on their prior experience, skills, and background. As required by applicable laws and New York Stock Exchange rules, a majority of our Board members are independent. We currently have a nine-member Board with seven independent members, including three women. Alamo Group's Board has three standing committees:

Audit Committee

- Assists with oversight of the accounting and financial reporting processes and audits of financial statements
- Comprised of five independent members of the Board
- Audit chairperson is a financial expert

Compensation Committee

- Sets and administers policies that govern executive compensation including setting the CEO and Named Executive Officer compensation
- Comprised of four independent members of the Board

Nominating and Governance Committee

- Identifies individuals qualified to become Alamo Group directors
- Recommends nominees to the Board for election at the annual shareholder meetings
- Oversees governance matters including the regular review of the Company's Code of Conduct
- Oversees the Company's sustainability program and develops recommendations for the Board's review and consideration
- Comprised of four independent members of the Board

For more information about our Board of Directors, executive leadership team, and corporate governance practices, visit our website.



Ethics and Compliance

A strong ethical culture starts at the top. CEO Jeff Leonard and the other senior executive leaders at Alamo Group strive to set the right example in the way they behave and the way they encourage others to behave. Our Board members are also deeply committed to meeting the highest standards of ethical and legal conduct in fulfilling their duties.

Code of Business Conduct and Ethics

Our Code of Conduct outlines our commitment to compliance with all applicable laws and regulations including local laws and regulations of each country where we conduct business. It also describes our commitment to, and policies for, doing business with integrity, including provisions on anti-corruption and anti-bribery.

The Code applies to all Company employees, executives, and directors. We communicate our Code of Conduct to all of our employees on an annual basis. In 2021, 100 percent of our employees completed the training.

Our anti-corruption and trade compliance program is managed under the direction of the Executive Vice-President & General Counsel. In addition, we maintain a proactive third-party risk management program designed to prevent corruption and promote ethical practices in foreign jurisdictions where we do business.

Political Contributions and Lobbying

While Alamo Group does not contribute to any individual political candidates or campaigns, the Company does maintain memberships in certain trade associations and business groups, such as the Association of Equipment Manufacturers and the National Association of Manufacturers, that may engage in advocacy on behalf of segments of the business communities where we maintain markets. We are committed to supporting these organizations which champion public policies that contribute to the success and growth of those business communities.

Accountability and Oversight

As part of our Code of Conduct, employees are encouraged to report potential violations of our Code of Conduct. We encourage employees to speak up whenever they observe improper or unethical behavior or actions. We maintain several reporting options, including an anonymous hotline as a confidential means to report violations of our Code, internal policies, or the law. Available 24/7, in the languages of all countries where we operate, the hotline can be accessed on the web or by phone through toll-free numbers.

Alamo Group does not tolerate retaliation in any form against employees for raising concerns or making good faith reports about possible breaches of law, policy, or ethical violations. Allegations of misconduct are reviewed and prioritized based on a number of factors, including the type of misconduct alleged and whether the allegation entails any potential violations of law. While all reported cases are investigated, certain cases deemed to be serious receive special scrutiny. There is also a quarterly review process to determine which cases, if any, require more detailed reporting to the Board of Directors or Audit Committee.

Conflict Minerals Policy

Alamo Group's commitment to sustainable business practices extends to our supplier relationships. As demonstrated by our Conflict Minerals Policy and our ongoing conflict minerals reporting program, we support the eradication of human rights abuses including those relating to the Democratic Republic of Congo (DRC) and adjoining countries, where the mining of certain minerals has partially financed the long-standing conflicts and abuses in this region. We are committed to working toward a conflict free supply chain by implementing a management program integrated with our policies and processes to align our worldwide suppliers with this policy.

Information Security and Data Privacy

Alamo has identified information security as an important risk for Alamo Group, including the threats of hacking, ransomware attacks, and data breaches. Our corporate Information Technology (IT) team works diligently to protect not only our information, but also the information of third parties that they may hold or control, to include implementing physical, electronic, and procedural safeguards to ensure the confidentiality, integrity, and availability of Alamo Group computer systems such as:

- Limiting physical access to server, storage, and network equipment to necessary staff, with physical access to the most critical systems being controlled by keycard access into areas that have activity recorded with video surveillance
- Implementing electronic safeguards such as firewalls and network segmentation techniques to prevent unauthorized access to information
- Scheduling monthly vulnerability assessments performed by a third party to provide proactive detection of system vulnerabilities



Implementing procedural safeguards including access to information or systems based on business requirements, the use of multi-factor authentication and strong password enforcement with ongoing efforts to minimize the number of passwords employees must rely on. Procedures to promptly update employee access after role changes are also in place to limit access after a change in responsibilities.

A review of these safeguards is performed annually, and the results are used to prioritize areas of improvement based on the Critical Security Controls for Effective Cyber Defense published by the Center for Internet Security. Reviews of specific safeguards also take place throughout the year as new threats emerge. Third parties that provide services to Alamo Group maintain the security of information on their respective systems.

In addition, Alamo Group is working hard to comply with all data privacy laws, including the General Data Protection Regulation and the California Consumer Protection Act, among others.

ABOUT THIS REPORT



Boundaries and Scope

This is Alamo Group's third annual sustainability report, based on calendar year 2021 data. Data collection now covers all facilities, both manufacturing and non-manufacturing, which are operated by Alamo Group. We have used the Sustainability Accounting Standards Board (SASB) Industrial Machinery Standard to guide our reporting boundaries and disclosures.

Assurance and Verification

We have engaged Strategic Sustainability Consulting (SSC), an independent party, to support our sustainability reporting efforts. We believe that this report contains information that is accurate, timely, and balanced. In preparing the material for this report, we have completed an internal assessment process in conjunction with SSC to review the contents for clarity, but the report is not externally assured and the data within this report has not been third-party verified.

Restatements

Alamo's 2019 sustainability report indicated that data coverage did not include newly acquired companies such as Morbark and Dutch Power. To provide comparable absolute sustainability metrics, we restated 2019 numbers in this report to include full year impacts from acquired businesses, including the pre-acquisition period. Alamo's 2019 and 2020 sustainability reports did not include sustainability metrics for the Company's non-manufacturing facilities. We have restated the 2019 and 2020 numbers in this report to include the distribution centers, truck

upfitting facilities, vacuum truck rental stores and corporate office buildings previously excluded from the scope of prior reports. In addition, during the 2021 data collection process, we identified and corrected some data errors primarily related to EPA eGrid conversions of kWh to Scope 2 GHG emissions as well as a few additional unit of measure conversion errors related to Scope 1 GHG emissions. The net result of these errors in 2019 and 2020 was an overstatement of total Scope 1 & 2 emissions. We have resolved these items and restated the 2019 and 2020 data accordingly.

For More Information

We welcome your feedback, comments, and questions on this report and other sustainability matters.

Corporate Sustainability Team

1-800- 638-7213
sustainability@alamogroup.com

Cautionary Statement about Forward-Looking Statements

Certain statements in this report relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical are forward-looking. When used by or on behalf of Alamo Group, the words "estimate," "anticipate," "expect," "believe," "intend," "may," "will," "would," "should," "could," and similar expressions generally identify forward-looking statements made by or on behalf of the Company. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions, and other factors, some of which are beyond the Company's control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Additional information concerning forward-looking statements and risks impacting the Company is contained in the Company's filings with the U.S. Securities and Exchange Commission, including, without limitation, the Company's Annual Report on Form 10-K for the year-ended December 31, 2021, filed on February 24, 2022.

ESG TEARSHEET



INDICATOR	UOM	2021	2020	2019
Electricity				
Vegetation Management Division	kWh	32,899,101	30,136,664	31,347,545
Industrial Equipment Division	kWh	17,643,526	18,057,772	22,313,522
Corporate Headquarters	kWh	159,800	170,880	194,480
Natural Gas				
Vegetation Management Division	mcf	242,391	233,402	245,148
Industrial Equipment Division	mcf	108,957	106,699	142,134
Total Energy Use				
Vegetation Management Division	gigajoules	400,287	384,870	406,939
Industrial Equipment Division	gigajoules	201,975	200,739	262,289
Corporate Headquarters	gigajoules	575	615	700
Propane				
Vegetation Management Division	scf	2,771,064	3,016,941	3,292,455
Industrial Equipment Division	scf	4,661,380	4,221,806	5,729,305

INDICATOR	UOM	2021	2020	2019
Acetylene				
Vegetation Management Division	scf	89,838	79,668	83,926
Industrial Equipment Division	scf	7,372	8,642	8,927
Propylene				
Vegetation Management Division	scf	46,105	117,907	64,643
Industrial Equipment Division	scf	1,305	-	-
Fuel Oil				
Vegetation Management Division	US gal	123,424	144,834	176,831
Industrial Equipment Division	US gal	71,189	77,249	108,779
Renewable Energy - Electricity				
Vegetation Management Division	% of total	18.2%	16.9%	15.8%
Industrial Equipment Division	% of total	31.6%	29.1%	27.4%
Corporate Headquarters	% of total	22.8%	19.8%	18.2%
Scope 1 Emissions				
Vegetation Management Division	MT Co2e	16,502	15,923	16,972
Industrial Equipment Division	MT Co2e	8,130	8,207	10,885
Scope 2 Emissions				
Vegetation Management Division	MT Co2e	11,667	13,289	14,923
Industrial Equipment Division	MT Co2e	4,736	5,667	7,684
Corporate Headquarters	MT Co2e	60	68	83

INDICATOR	UOM	2021	2020	2019
VOC Emissions				
Vegetation Management Division	pounds	216,997	155,465	167,195
Industrial Equipment Division	pounds	130,724	175,635	210,772
Waste Water				
Vegetation Management Division	cubic meters	68,116	67,545	60,756
Industrial Equipment Division	cubic meters	27,965	28,855	42,768
Total Waste to Landfill				
Vegetation Management Division	kg	1,215,122	1,251,707	1,475,554
Industrial Equipment Division	kg	1,311,120	1,309,680	1,535,167
Waste Recycled				
Vegetation Management Division	% of total	86%	87%	87%
Industrial Equipment Division	% of total	80%	74%	73%