

**ALAMO
GROUP**

**SUSTAINABILITY REPORT
2023**



Empowering Communities *through* Innovative Solutions

OVER 22%
reduction of GHG emissions
intensity since 2019*

*using market-based method for scope 2 emissions.

COMMITTED
to reducing operational
GHG emissions intensity
50% by 2030



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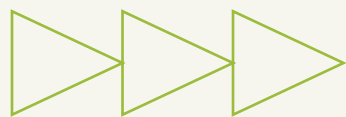
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LETTER FROM THE CEO



Jeffery A. Leonard
Chief Executive Officer and President

“No matter what we achieve, there is always more we can do.”

Dear Stakeholders,

Thank you for dedicating time to review our 2023 Annual Corporate Sustainability Report, marking the fifth edition Alamo Group has released. I trust you will find the statistical insights and concise case studies valuable in comprehending Alamo Group’s journey towards achieving its sustainability objectives. As in prior years, we have experienced successes and advancements in certain areas, alongside setbacks in others. To ensure a comprehensive overview of our endeavors, we remain fully transparent about both achievements and challenges.

In the critical realm of energy consumption, we once again achieved a reduction in absolute energy usage for 2023, despite heightened production activities. Our specific energy intensity, measured as energy consumption per 1000 hours worked by our employees, has now decreased by over 12% compared to our baseline 2019 dataset.

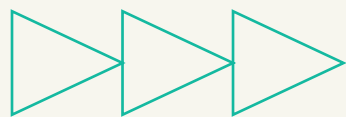
The report outlines several other significant accomplishments. For instance, our total scope 1 and 2 carbon intensity has decreased by 22% compared to the 2019 baseline. However, we faced challenges in reducing the amount of solid waste sent to landfills, primarily due to excess dunnage resulting from facility consolidations and production rationalization projects. Additionally, we experienced a regression in water usage reduction compared to the previous year. In 2024, we are committed to intensifying our efforts in these areas to achieve greater progress.

On the personnel front, I am delighted to announce a further 9% reduction in our OSHA recordable injury rate for 2023, surpassing our 2025 target ahead of schedule. Furthermore, I am proud to report zero on-the-job fatalities once again. Our Training Academy expanded its professional development course offerings, with over 300 employees graduating from our AGILE Leadership Training Program last year.

Overall, 2023 marked another year of advancement across critical sustainability dimensions. However, there remains ample room for improvement, and we will set higher benchmarks for ourselves in 2024. The accomplishments of 2023 are commendable, and I extend my gratitude to our teams for their dedication to our long-term sustainability objectives. As always, we welcome your feedback on the contents of this report. Please do not hesitate to share your perspective on our progress.

Jeffery A. Leonard
Chief Executive Officer and President





LETTER FROM THE **CSO**



Dan E. Malone
Executive Vice President and
Chief Sustainability Officer

In 2023, Alamo Group recorded our best energy and greenhouse gas (GHG) emissions intensity metrics since we began measuring these performance indicators in 2019. Our energy consumption intensity improved 4% from the prior year and was nearly 19% better than our base year level. Our Scope 1 and 2 emissions intensity improved 8% (using location-based Scope 2) compared to 2022 and was down by more than 28% from base year. When we also consider zero emissions power purchase agreements (market-based Scope 2), our 2023 Scope 1 and 2 emissions intensity was nearly 37% improved from base year operational emissions.

Our 2023 real manufacturing activity, measured in hours worked, increased by 1.3% over last year's record levels. Alamo Group continued to invest heavily in energy efficient production machinery, insourced additional operations from third party suppliers, and launched over 40 projects to improve the wintertime heating efficiency of our facilities. We expect to see the benefits from most of the heating efficiency projects in 2024, with full year impact anticipated in 2025. While a summer heatwave offset some of our project-driven electricity reductions, we are not too proud to admit our lower natural gas use received some assistance from Mother Nature. After harsh winter conditions in 2022, we caught a break in 2023 with 10-15% reductions in heating degree-days in some of the regions where our larger facilities operate. That said, our reductions of energy use and operational emissions were, to varying degrees, across-the-board. We improved in both absolute and intensity measurements, from all major energy sources, and in all GHG emissions categories.

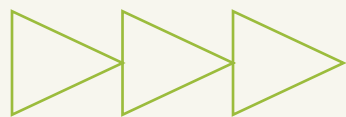
In 2023 Alamo Group continued to invest in sustainable new product development, and collaborated with our customers and suppliers to address a variety of sustainability issues, most notably reducing product use phase GHG emissions through the development of zero-emission electric and near-zero-emission hybrid products to address the largest environmental impact of our product life cycles. We have now developed and shown electric or hybrid-electric prototypes or sold production units in most of our major product categories, including: remote control mowers, boom mowers, mowing boats, woodchippers, street sweepers, debris collectors, vacuum trucks, and excavators.

Measured by mass, our upstream GHG footprint is all about steel. Whether it's the steel plate, sheet and structural Alamo Group used for internal fabrication, or the steel used in axles, pumps, gearboxes, drivelines, and other engineered components we purchase, it is the dominant driver of inbound financial and environmental costs. We have many opportunities to make more efficient use of steel within our span of control. For example, we design steel weight out of our products by using better grades, and we produce less steel scrap through better planning and use of laser cutting technologies. Because nearly all of our steel scrap is recovered and recycled, many of our folks don't fully recognize it as waste. But recycling recovers only the material and we lose all of the value added, including the embedded energy spent by our suppliers to provide the materials in usable

form. There is waste embedded in every ounce of steel we sell back to the scrap vendor. One of our main 2024 sustainability goals is: don't waste steel!

In 2023, there was no shortage of new sustainability-related regulations. Ranging from the finalization of the European Union's Corporate Sustainability Reporting Directive (CSRD) to the California Air Resource Board's Advanced Clean Fleet regulation, Alamo Group faced several new requirements from how we report on sustainability issues to government mandates accelerating energy transition. We will be prepared to meet these new demands, but there may be some growing pains along the way. Since the CSRD is the first of the new reporting regulations to apply standards of double materiality and require reporting on a broader range of sustainability issues, we have reorganized and added to this report to begin aligning with some of these new requirements and share some of the additional ways our company impacts the world outside of our operations. I hope you find this year's report to be both thought provoking and informative.

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



Employees

4,300+



Headquartered in

SEGUIN, TX



Publicly traded since

1993

(NYSE: ALG) Quarterly dividend paid continuously since going public



Manufacturing locations

29

- ▶ North + South America
- ▶ Europe
- ▶ Australia



Operating Divisions

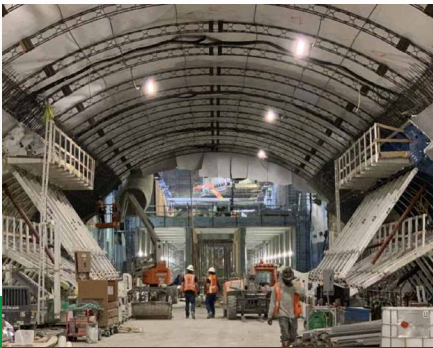
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- ▶ Vegetation Management
- ▶ Industrial Equipment



INDUSTRIAL EQUIPMENT

The Industrial Equipment Division of Alamo Group is a leading supplier for both public and private sector customers in infrastructure maintenance. Accounting for approximately 40% of the Company’s total sales, this division employs about 1,600+ people in 12 manufacturing locations across 3 countries, and primarily sells its equipment through a network of approximately 750 dealers and distributors. This division’s specialized equipment focuses on application-based solutions and includes some of the most recognizable brand names in the market. It’s products focus on both contractor and municipal infrastructure customers’ year-round maintenance requirements.



CONSTRUCTION FORMS



DEALERSHIP



ROAD & HIGHWAY SAFETY



SNOW & ICE REMOVAL



SWEEPERS & DEBRIS COLLECTION



TRENCHERS & EXCAVATORS



VACUUM TRUCKS

VEGETATION MANAGEMENT

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 approximately 60% of Alamo Group’s total sales, employs about 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, and forestry management, Alamo Group has the right products to support our customers’ needs. With an eye towards innovation, our products deliver industry leading performance.



AGRICULTURE



FORESTRY & TREE CARE



LANDSCAPING & TURF MAINTENANCE



PARTS



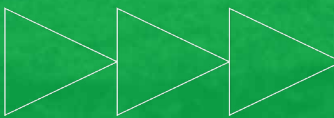
WATERWAY VEGETATION MANAGEMENT

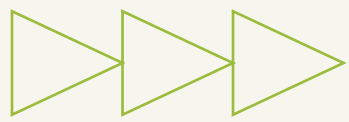


ROADSIDE, MOWING, & BRUSH MAINTENANCE



Empowering Communities
through Innovative Solutions



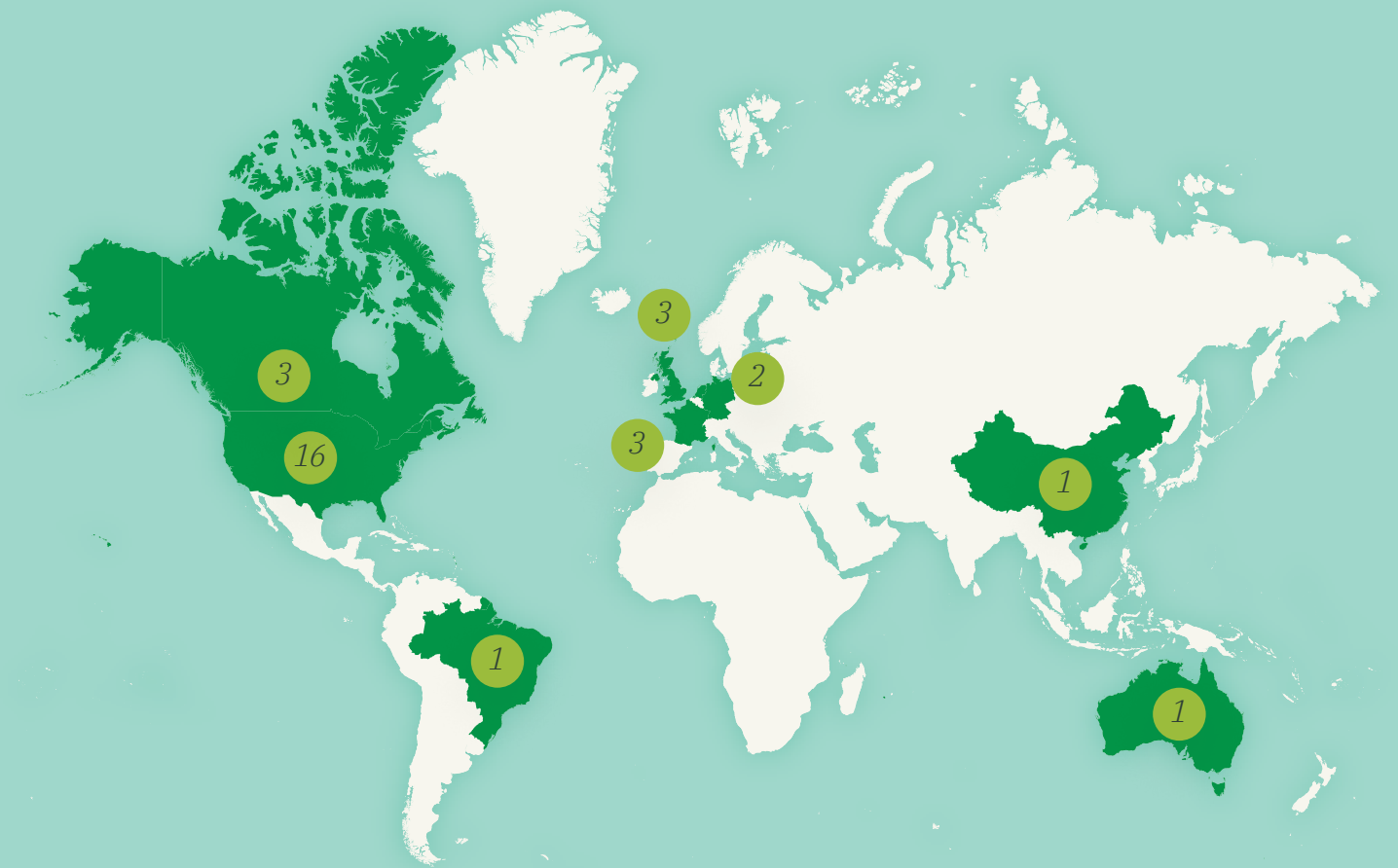


OUR LOCATIONS

Driving progress for communities around the globe.

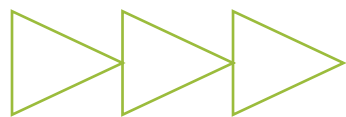
Alamo Group's global footprint is a testament to its expansive reach and operational scale. With a portfolio of over 40 brands, the Group operates 29 manufacturing locations worldwide, employing over 4,300 individuals. This extensive network enables Alamo Group to deliver its equipment,

parts, and services across six continents, marking its presence in communities globally. The Group's commitment to quality and innovation and sustainability supports its ability to meet a wide range of needs, demonstrating its role as a key player in the global market.



United States 16
Canada 3
Brazil 1
France 3
United Kingdom 3
Netherlands 2
Australia 1
China *Sourcing Office*





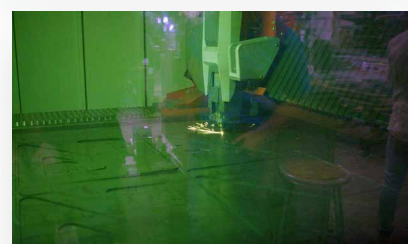
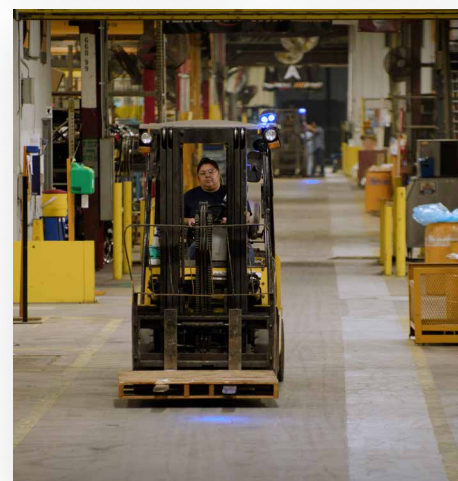
OUR APPROACH TO SUSTAINABILITY

Alamo Groups's approach to sustainability is influenced by two important strategic objectives. First, to provide value to our customers who 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 and ice from our roads, maintaining our forests, and preparing fields for the next planting. Our operations and value chain produce tools and tool carriers required to do those specific jobs. Whether it be lane-miles of snow cleared from roadways, or tons of debris removed from storm sewers, those functional units of output are the only reasons customers buy these products. Infrastructure maintenance is not optional, and it is our job to provide solutions for our customers to do this necessary work in the most effective and sustainable ways possible, this is what keeps us in business. Second, we are a for-profit business. Consequently, the sustainability investments we have prioritized benefit all three aspects of the triple bottom line: people, planet, and profits. Alamo Group believes that sustainability shouldn't come at the expense of reduced shareholder returns, and we will continue to focus our efforts where all three objectives are met.

All levels of Alamo Group management actively participate in the development and execution of our sustainability strategy. Sustainability goals are integrated into management incentive compensation targets at several levels of the organization, including senior management. Our sustainability strategy is built upon ongoing dialogue with key stakeholders and insights from our annual materiality and risk assessments, that now include a deeper analysis of climate risks and opportunities. As Alamo Group has gained greater awareness and understanding of potential climate change related impacts, we have begun to consider climate change related issues in our strategic planning and enterprise risk management processes. In this report, we have included climate related disclosures in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Alamo Group 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 2019-2023, as applicable. Previous Alamo Group Sustainability Reports are also available on our website at <https://www.alamo-group.com/reports-and-policies/>



Governance

Alamo Group's governance around climate-related risks and opportunities is described in the **ESG Governance** section of this report (page 16).

Strategy

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 20).

Metrics and Targets

Disclosures of the metrics and targets we use to assess and manage some of our climate-related risks and opportunities are included in the **2023 Sustainability Highlights** (page 22), and **Environmental Responsibility** (pages 26) sections of this report.

Risk Management

Discussion of how Alamo Group identifies, assesses, and manages climate-related risks is included in the **Materiality & Risk Assessment** section of this report (page 20).

ESG GOVERNANCE

In 2023, the Alamo Group Board of Directors, acting through its Nominating and Governance Committee, maintains ultimate responsibility for overseeing ESG matters. The Company’s EVP & Chief Sustainability Officer, ESG Executive Team, Corporate Sustainability Team, its business unit leadership and Green Teams deployed at every Alamo Group company are responsible for the implementation of ESG policies and strategies, and the reporting of relevant results.

Board ESG Oversight	
<ul style="list-style-type: none">▶ Board of Directors▶ Chair, Nominating & Governance▶ Chief Executive Officer	The Alamo Group Board of Directors, its Nominating and Governance Committee, and the 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, including company sustainability strategy, climate change risks and opportunities, and the development of ESG goals and reports.
ESG Executive Team	
<ul style="list-style-type: none">▶ 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	
<ul style="list-style-type: none">▶ Technical Affairs, Sustainability and Safety 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	
<ul style="list-style-type: none">▶ 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.

We Believe

Sound governance practices are fundamental to achieving our long-term sustainable growth objectives. Alamo Group’s 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.



STAKEHOLDER ENGAGEMENT

Alamo Group regularly engages in dialogue with our stakeholders to develop strategies to meet the environmental, social and business challenges we face. We value open and honest communication with our investors, customers, suppliers, and others regarding ESG issues. Employee insights are also critical, and 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 competitive behavior or free market competition.	Alamo Group engages investors by participating in conferences, update meetings and quarterly conference calls. We also interact with research analysts and proxy advisory firms.
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 and Inclusion, and Non-discrimination	Through the Alamo Group Learning and Development Academy, we launched three employee leadership development programs in 2022, and more than doubled enrollment in 2023.
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▶ Operator training, product repair, maintenance, refurbishment, and circularity	Alamo Group engages with our independent dealers and fleet operators to provide operator training, as well as repair, maintenance, and refurbishment parts and services, to ensure our equipment is operated safely, efficiently and for a full product life cycle.
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▶ Seek green solutions for delivering source materials and products	Over the past few years, we have collaborated with Renault, Daimler, Volvo Penta, and other key members of our value chain to develop products that we expect to make a major impact on use phase value chain emissions.
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	Alamo Group engages with communities through employee service projects such as tree plantings, support local conservation organizations, and other community events to promote employment and educational opportunities.
Government	<ul style="list-style-type: none">▶ Participation in mutually beneficial government and industry partnership programs	<ul style="list-style-type: none">▶ Public policy implementation for the benefit of constituents.▶ Public safety	Alamo Group engages with government at the national, state, and local levels. Ranging from the EPA's Smart Way program to working municipalities to help them improve the essential infrastructure services they provide.

MATERIALITY & RISK ASSESSMENT

Alamo Group uses information obtained from both internal and external sources, as well as our stakeholder engagement, the Corporate Sustainability Team conducts regular materiality assessments. We also utilize 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 continue to be Energy Management, Employee Health & Safety, Product Design & Lifecycle Management, and Materials Sourcing & Efficiency. Our internal materiality assessments continue to support 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 safely, effectively and efficiently, while reducing environmental impacts and promoting equipment durability
- ▶ Comply with product safety & chemical disclosure laws



Social

- ▶ Improve employee health & safety
- ▶ Enhance workforce diversity & inclusion
- ▶ Employee development & retention
- ▶ Support our communities through participation in and promotion of service projects, educational opportunities, and economic development



Governance

- ▶ Enhanced cybersecurity
- ▶ Continue to grow and improve economic performance



Climate-related Risks and Opportunities

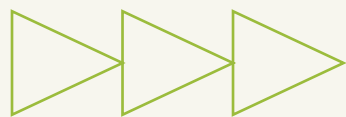
Three of the material issues identified in our assessment are directly linked to climate change risk. Stakeholder interest in climate-related disclosures is high, so in this report we discuss our relevant climate-related risks and opportunities using the Task Force for Climate-related Financial Disclosures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

Transition Risks

These risks and opportunities are primarily: (1) markets for our products transition to lower carbon technology, and (2) government imposes regulations to accelerate energy transition, impacting our production inputs, customers, or us directly. Because of recent regulatory developments in North America and Europe, Alamo Group believes these risks will impact us in the medium and long-term time horizons. The financial impact could be an increase in operating costs and/or negative effects on demand for our traditional products. On the positive side, we are well positioned to develop low carbon solutions for our customers, and it could result in sales growth. This sustainable product development has already begun in the product ranges where operating power requirements can be accommodated by existing scalable technologies and will eventually progress to products with higher energy requirements 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

Acute risks 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. Alamo Group believes both may occur over a long-term time horizon. We believe most of this risk resides with some of our upstream supply chain members and end users of our vegetation management equipment. The potential financial impact could result from 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. For physical risks, we believe our exposure is a low to medium net financial impact from these risks and opportunities.



HIGHLIGHTS & ACHIEVEMENTS

Alamo Group made meaningful progress with respect to our energy consumption intensity, operational emissions, and safety goals, recording our best performance in each of these categories since we began measuring sustainability metrics in 2019.

Last year, Alamo Group set more aggressive 2025 and 2030 targets for employee safety, and for the second year in a row we hit our 2025 target. Accordingly, we have revised our 2025 and 2030 goals to reflect continuous improvement.

We fell short of our expectations in the area of landfill waste and water use, but we remain well below base year levels in both metrics and committed to our goals.

As we explain later in this report, we have reduced our estimates of operational landfill waste for all of the years presented. We have re-calibrated our 2025 and 2030 goals accordingly. Alamo Group remains committed to a 50% reduction landfill waste intensity from the 2019 base year levels.

		2019	2020	2021	2022	2023	2025 Target	2030 Target
Energy Consumption	Gigajoules (Gj)	675,837	599,616	627,342	645,041	628,618		
	Gj/1000 Hours Worked	86.8	85.9	77.9	78.9	75.9	70.4	58.5
% Renewable Electricity	On-Site	0%	0%	<1%	1%	1%	4%	10%
	Purchased	1%	1%	4%	4%	4%	3%	-
	From the Grid	21%	22%	24%	24%	25%	33%	40%
	Total	22%	23%	29%	29%	30%	40%	50%
Operational Emissions (Scopes 1 & 2)	mtCO2e Emissions	51,198	44,940	42,978	42,661	41,992		
	mtCO2e/1000 Hours Worked	6.46	6.43	5.34	5.22	5.07	4.47	3.23
Net Water Use Intensity	Cubic Meters/1000 Hours Worked	13.5	14.0	12.2	10.4	10.99	10.2	9.8
Operational Waste	Sent to Landfill (kg)	2,908,100	2,480,342	2,410,861	2,264,327	2,419,304		
	Landfill Intensity (kg/1000 Hours Worked)	374	355	299	277	292	262	187
	% Recycled	82%	83%	85%	85%	84%	85%	86%
Safety	Recordable Injuries per 100 employees	4.1	3.7	3.1	2.6	2.3	2.2	1.9

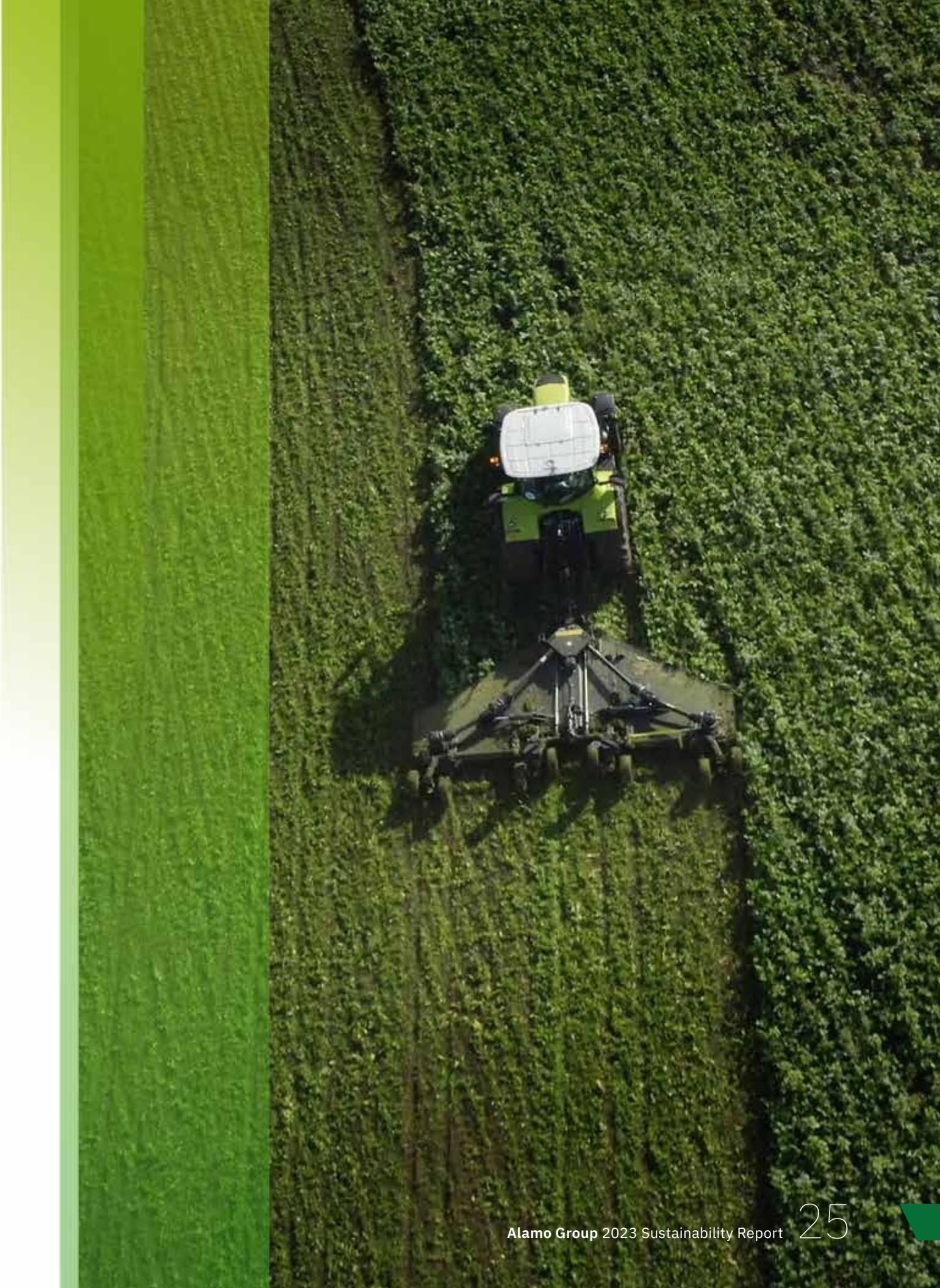
SUSTAINABILITY INVESTMENTS

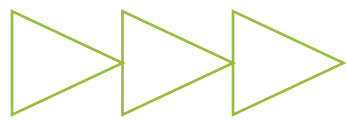
Since 2019, Alamo Group has made substantial investments in more sustainable technologies in its own operations and in its new product development activities. Many of our capital investments address multiple business objectives including cost reduction, capacity, and maintenance needs. Whether or not it meets the definition of being a “sustainability” investment is sometimes a judgment call. Our investments in upgraded welding and metal cutting technologies are often justified based on improved labor efficiency, output, and quality, but such investments also significantly reduce electricity consumption per unit of output. Below we provide a summary of our capital expenditures which we determined have, or will have, a significant impact on our sustainability performance:

Capital Authorizations with Sustainability Impact (\$ millions)	2020-23 Project Approvals	2024 Capital Plan Proposals
LED Lighting and Energy Management Systems	\$ 3.5	\$ 0.2
Welding Technology Upgrades	\$ 2.7	\$ 1.2
Laser Cutting Technology Upgrades	\$ 11.0	\$ 1.5
Onsite Renewable Energy Facilities	\$ 0.6	\$ 1.9
Low Emissions Vehicle Development	\$ 0.4	\$ 1.0
Energy Efficient Building Improvements & Other	\$ 6.2	\$ 3.3
Total Capital Authorized or Planned	\$ 24.4	\$ 9.1

In 2024, Alamo Group plans to continue to make large investments to improve the heating efficiency of our facilities, and upgrade to more energy efficient welding and steel cutting technologies. We also plan to spend nearly \$2 million to more than triple our onsite renewable power generation capacity.

Most of our product development investments are not capitalized but are expensed as Research & Development expenditures in the period they are incurred. However, our capital spending also reflects acquisition and development of electric vehicle (EV) chassis and related technologies. 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 emitting technologies, such as electric vehicles, can easily be identified as “sustainable” product development. Harder to identify are the many projects to design products which allow our customers to operate more efficiently, lower the total cost of ownership and improve fuel economies. These too can have a substantial impact on emissions throughout our value chain.





ENVIRONMENTAL RESPONSIBILITY

Alamo Group's environmental responsibilities and accountability include identifying, measuring, and reducing greenhouse gas emissions; air, water, and soil pollution; hazardous waste; and other potentially harmful substances in the materials we source. New regulatory requirements and voluntary disclosure requests are increasing exponentially and the need to collaborate with value chain partners to meet these expectations has never been greater.

Alamo Group's 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 not only reduce the environmental footprints of our operations, but also help create net positive environmental impacts throughout our value chain.

The metrics we use to address climate related risk and opportunity are:

- ▶ Sustainability Investments - Page 24
- ▶ Energy Management - Page 28
- ▶ Operational GHG Emissions - Page 30-33
- ▶ Sales of New Product That Reduce GHG Emissions - Page 41

In this report, the discussion of our environmental performance and commitments include:

- ▶ Energy Management
- ▶ Operational Greenhouse Gas Emissions
- ▶ Renewable Energy Sourcing
- ▶ Value Chain Greenhouse Gas Emissions, including:
 - ▶ Upstream Value Chain Emissions
 - ▶ Downstream Value Chain Emissions (Sustainable Product Development)
- ▶ Pollution Reduction
- ▶ Water Conservation
- ▶ Preserving Biodiversity and Ecosystems
- ▶ Resource Use, Waste and Circularity

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 our 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 of companies have become ISO 9001 certified to improve their management systems and increase control of their processes. While 1 of our 29 manufacturing locations maintains an ISO 14001 certification of their environmental management systems, most Alamo Group operations maintain formal environmental management processes even if they haven't chosen to pursue an ISO certification.

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 and 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

Alamo Group Total Company	Energy Consumed (gigajoules)				
	2019	2020	2021	2022	2023
Natural Gas	408,093	366,044	386,317	413,107	403,527
Electricity	195,326	175,836	182,297	176,533	169,974
Propane Gas	27,237	22,187	23,436	22,945	21,442
Fuel Oil	44,856	35,082	35,009	32,124	33,383
All Other	325	467	283	331	292
Total Energy Consumption	675,837	599,616	627,342	645,041	628,618
% Change from Base Year		-11%	-7%	-5%	-7%

Despite a 1.3% increase in operational activity as measured by hours worked, in 2023 Alamo Group realized an absolute year-to-year energy consumption reduction of 2%, with improvements in nearly every energy consumption category.

As we noted in last year’s report, natural gas and electricity account for over 90% of Alamo Group’s operational energy consumed, with cold weather facility heating driving about 75% of our natural gas usage and about 40% of our propane and fuel oil combustion. This totals to about half of our total energy consumption. Facility lighting and production equipment remain the major consumers of electricity.

In 2023, Alamo Group launched over 40 projects to improve the wintertime heat retention of our manufacturing facilities worldwide. While some of the smaller improvements were installed in 2023, most will be completed during the next 12 months, with partial year benefits accruing to 2024 and full year impact in 2025. Overall, our 2023 absolute natural gas use decreased about 4% from the prior year overcoming large year-to-year increases in our Texas and Iowa plants. In Texas, the installation of a new dry paint system required outsourcing of

paint operations for most of 2022. Ovens in dry paint systems tend to be more energy intensive, but powder coat painting produces other sustainability benefits such as reducing air pollution and increasing product durability. In Iowa, labor availability led us to relocate the production of certain metal fabrications from our Illinois plant, reactivating certain parts of the Iowa facility that had been previously idle. Excluding the impacts from Texas and Iowa, the absolute reduction in natural gas usage was 6%. This reduction aligns better with the more than 10% year-to-year decrease in Heating Degree Days reported by the National Weather Service for our US locations.

Continued investments in energy efficient lighting and production equipment drove year-to-year electricity use down 2.4% despite increased manufacturing activity and an intensive summer heat wave in some of the places we operate.

Alamo Group Total Company	Gigajoules Consumed per 1,000 Hours Worked						
	2019	2020	2021	2022	2023	2025 Goal	2030 Goal
Total Energy Intensity	86.8	85.9	77.9	78.9	75.9	70.4	58.5
% Change from 2019 Base Year		-1%	-10%	-9%	-13%	-19%	-33%

After accounting for higher operational activity, in 2023 Alamo Group recorded our lowest level of energy intensity since we began measuring it. This represented a 4% improvement from the prior year and was 13% below our base year performance. Our 2025 and 2030 energy management goals remain unchanged. We believe that continued investments in energy efficient equipment and completion of the previously mentioned wintertime

heat retention projects will provide the additional 7% improvement needed to hit the 2025 target. Physical footprint consolidation and further investments in energy efficient production equipment, building envelope improvements and highly efficient heating technologies, such as air-sourced and ground-sourced heat pumps and radiant heaters, will be needed to stay on track for our 2030 goal.

OPERATIONAL GREENHOUSE GAS EMISSIONS — SCOPE 1

	MT CO2eq emissions				
	2019	2020	2021	2022	2023
Natural Gas	21,312	19,116	20,175	21,574	21,074
Fuel Oil	3,150	2,464	2,459	2,256	2,344
Propane Gas	1,504	1,225	1,294	1,267	1,184
All Other Sources	1,632	1,594	1,645	1,576	1,489
Total Scope 1 Carbon Emissions	27,598	24,399	25,572	26,673	26,091
% Change from 2019 Base Year		-12%	-7%	-3%	-5%

	Gigajoules Consumed per 1,000 Hours Worked						
	2019	2020	2021	2022	2023	2025 Goal	2030 Goal
Total Scope 1 Carbon Intensity	3.54	3.49	3.18	3.26	3.15	2.82	2.09
% Change from 2019 Base Year		-1%	-10%	-8%	-11%	-20%	-40%

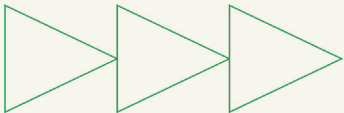
Scope 1 greenhouse gas (GHG) emissions correlate highly with the consumption of energy other than electricity. Over 80% of our Scope 1 GHG emissions are the result of natural gas use for heating our facilities, paint drying ovens and other production related processes. As previously mentioned, over 75% of natural gas and about 40% of propane and fuel oil use is for facility heating. All Other Sources of Scope 1 emissions include the use of propylene and acetylene in production processes as well as fugitive emissions of CO2 gas used in welding and refrigerants used in air conditioning systems. As part of our commitment to reduce our total Scope 1 & 2 GHG emissions intensity by at least 50% by 2030, we believe that about a 40% reduction in Scope 1 emissions intensity will be necessary to hit our target.

In 2023, Alamo Group reduced our absolute Scope 1 emissions by 2% compared to 2022 despite the insourcing of painting operations and other metal fabrication activities already described in the Energy Management section of this report. Our Scope 1 improvements mainly resulted from the previously mentioned reductions of natural gas needed to heat our facilities.

In 2023, our Scope 1 emissions intensity improved 3% year-to-year and was 11% lower than the 2019 baseline. Our 2025 and 2030 goals remain unchanged. To achieve our 2025 Scope 1 intensity target, we need an additional 10% improvement over the next two years. In addition to the actions already discussed in the Energy Management discussion, we believe that our intensity performance will be further enhanced by improving the relationship of physical facility footprint to operating activity levels.



Empowering Communities
through Innovative Solutions



OPERATIONAL GREENHOUSE GAS EMISSIONS — SCOPE 2

	2019	2000	2021	2022	2023	2025 Goal	2030 Goal
Absolute Measurements							
Total Electricity Consumed (MWh)	54,258	48,844	50,638	49,037	47,215		
Scope 2 GHG Emissions - Location Based (MT CO2 equivalent)	22,683	19,250	18,443	18,548	17,280		
Scope 2 GHG Emissions - Location Based (MT CO2 equivalent)	23,600	20,541	17,405	15,988	15,900		
Measures of Intensity	kWh or mtCO2e per 1000 Labor Hours Worked						
Electricity Consumed	6.97	6.99	6.29	5.99	5.64	5.33	4.57
Scope 2 GHG Emissions - Location Based	2.91	2.76	2.29	2.27	2.09	1.80	1.14
% Change From 2019 Base Year		-5%	-21%	-22%	-28%	-38%	-61%
Scope 2 GHG Emissions - Market Based	3.03	2.94	2.16	1.95	1.92	1.65	1.14
% Change From 2019 Base Year		-3%	-29%	-36%	-37%	-46%	-62%
Grid and Renewable Power Mix	% of Total Electricity Consumed						
Electricity Taken from Grid	100%	100%	>99.2%	99%	99%	96%	90.0%
Renewable Power from Onsite Generation	0%	0%	<1%	1%	1%	4%	10%
Renewable Power from Power Purchase Agreements	1%	1%	4%	4%	4%	4%	0%
Renewable Power from the Grid	21%	22%	24%	24%	25%	32%	40%
Total Renewable Power Consumed	22%	23%	29%	29%	30%	40%	50%

OPERATIONAL GREENHOUSE GAS EMISSIONS — SCOPE 2

Compared to our baseline year, our absolute location-based Scope 2 emissions are now down 5,403 metric tons of CO2 equivalents, or about 24%, while our market-based Scope 2 emissions are down 7,700 metric tons, or about 33%. Adjusted for activity, our location-based Scope 2 carbon intensity is down 28% and market-based Scope 2 carbon intensity is down nearly 37% from the baseline year.

In 2023, Alamo Group reduced our absolute consumption of electricity by 1,822 MWh. This 4% absolute reduction was achieved despite higher manufacturing activity, continued insourcing of production processes and an extraordinary summer heat wave in several areas where we operate. In terms of energy intensity (kWh per 1000 hours worked), we reduced our electric power consumption by 6% from the prior year. Compared to 2019, the baseline year, our electric power consumption has been reduced by 13% in absolute terms, and by 19% measured in terms of electric power intensity.

We measure and report both location-based and market-based Scope 2 emissions. To calculate location-based Scope 2 emissions, we utilize the most recent applicable government published total production emissions conversion factors for electricity grid produced in the geographic regions where our facilities are located. For facilities in South America and Europe, we use country conversion factors. For our facilities located in the U.S., Canada, and Australia, we use factors specific to grid regions or provinces. To calculate market-based emissions, we report zero or reduced emissions for our locations covered by renewable and carbon-free power purchase agreements and convert our residual power consumption using published residual grid averages, where available, and total production grid-average emissions rates for the remaining areas. In 2023, our location-based Scope 2 emissions were favorably affected by a weighted average 3.7% decrease in the per kilowatt-hour conversion factors.

Renewable Energy Sourcing

Alamo Group currently has three locations which generate part of the power they consume from onsite photovoltaic (PV) arrays. In 2023, onsite renewable electricity generation totaled 485 MWh, or about 1% of our total consumption. During the same period, we purchased 4,051 MWh of zero emission power, of which 1,915 MWh was from renewable sources, accounting for about 4% of our electricity use. Both onsite generation and renewable power purchases were substantially the same as compared to 2023. Based upon the latest published energy mix statistics, the proportion of renewable power taken from the grid improved year-over-year to help us measure a total renewable power mix of about 30% of our total power consumption.

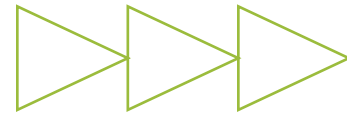
Our 2024 capital budget includes investments in three additional rooftop PV systems, which are expected to annually generate about 1,200 MWh of renewable energy for our manufacturing plants in the UK and Texas. This additional PV capacity will expand our renewable cogeneration to 4% of our total consumption by 2025 and keep us on track toward building our onsite power generation to 10% of our total electricity consumption by 2030.



VALUE CHAIN GREENHOUSE GAS EMISSIONS

Alamo Group will continue to make significant progress toward reducing its operational environmental footprint, but our materiality and risk assessments indicate impacts in our supply chain and the use of our products.

Because we share these environmental footprints with our customers and suppliers, reducing our impact 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.



Reducing Upstream Value Chain GHG Emissions

Alamo Group collaborates with upstream supply chain partners to address the environmental footprints we share with these members of our value chain. While most of this collaboration has been recently focused on the joint development of low and zero-emission products to address customer climate concerns, we are also pushing for supply chain transparency and accountability for a wider range of environmental issues, including GHG emissions.

One of the largest GHG footprints in our upstream supply chain is the production of steel. Primary steel making in an integrated blast-basic oxygen furnace, including the mining and reduction of the iron ore it uses, produces about 2 kilograms of CO₂ equivalent (CO₂e) emissions per kilogram of steel produced. Secondary steel making in an electric arc furnace using 100% recycled steel scrap is about 400 grams of CO₂ equivalent emissions per kilogram of steel produced. Worldwide, primary steelmaking accounts for over 75% of total production, while in North America and Europe, about 70% is from secondary steelmaking. Not counting the steel weight of the fabricated components that Alamo Group purchases from third party suppliers, we purchase over 40 million kilograms of standard sized steel plates, bars, and tubing for steel component production in our own facilities. Just this part of our material purchases represents about 80,000 metric tons of CO₂e emissions annually, or about double our operational emissions. The quickest, easiest, and most profitable way to reduce upstream GHG emissions is to reduce the amount of material purchased for a given level of production output. We are doing this both through product design and the reduction of production waste.

Changing Product Designs to Reduce Upstream GHG Emissions

As discussed in Sustainable Product Development, we have modified product designs to use higher grades steel to reduce product weight, particularly in the moldboards and dump body sides of our snow removal products, as well as the structural pieces of some of our agricultural products. These enhancements not only avoid steel purchases, but also improve the use phase fuel efficiency of these products.

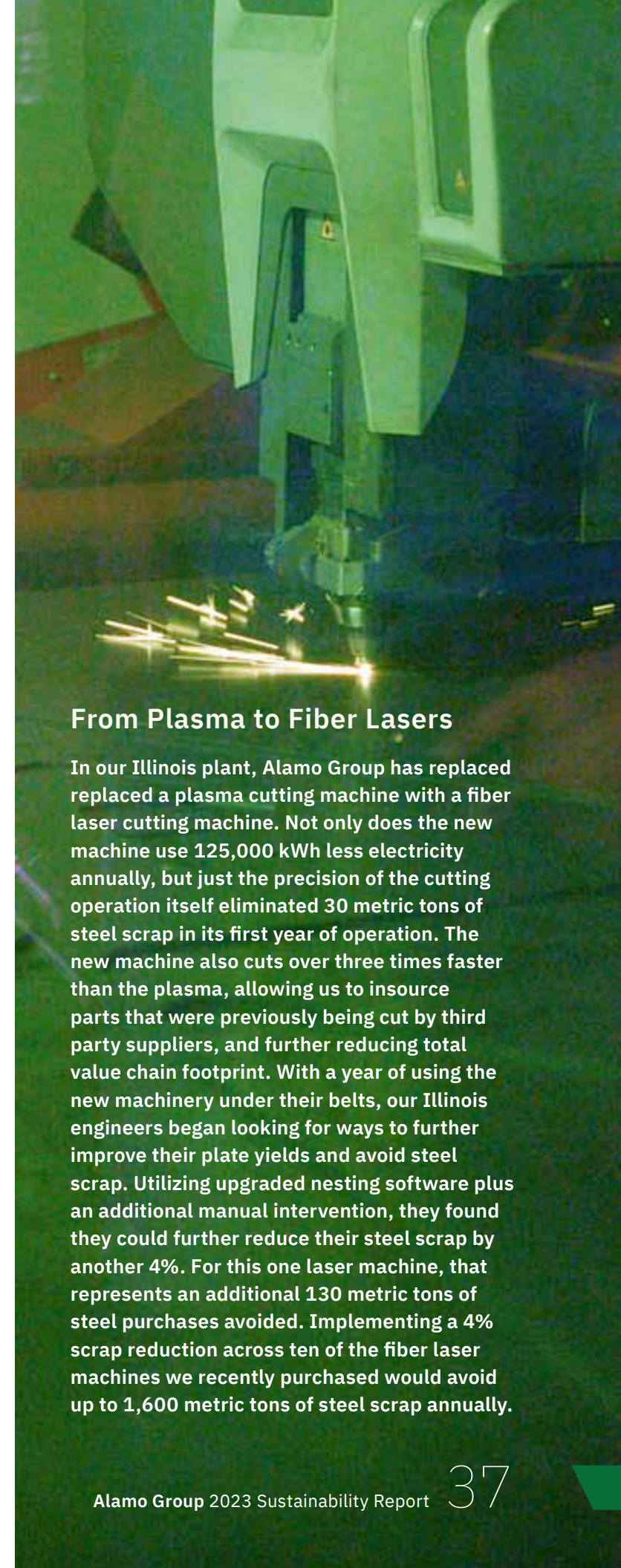
Using Fiber Laser Cutters to Reduce Steel Scrap and Upstream GHG Emissions

In many of our facilities, Alamo Group has also upgraded our lasers for cutting sheet steel, which has produced a variety of environmental and economic benefits. We have spent over \$11 million deploying fiber laser cutters throughout our facilities in recent years.

The GHG emissions reduction associated with steel scrap avoidance is the carbon footprint of secondary steel making, plus the GHG emissions associated with recovery, transportation, preparation of the scrap metal for delivery to the electric arc furnace mill. Based upon our analysis, we assume a reduction to be about 500 grams of CO₂e emissions per kilogram of steel scrap avoided. We estimate that our investment in ten fiber laser cutting machines will take about 800 metric tons of CO₂e emissions out of our upstream value chain annually while also reducing our annual steel purchase costs by more than \$1 million.

From Plasma to Fiber Lasers

In our Illinois plant, Alamo Group has replaced a plasma cutting machine with a fiber laser cutting machine. Not only does the new machine use 125,000 kWh less electricity annually, but just the precision of the cutting operation itself eliminated 30 metric tons of steel scrap in its first year of operation. The new machine also cuts over three times faster than the plasma, allowing us to insource parts that were previously being cut by third party suppliers, and further reducing total value chain footprint. With a year of using the new machinery under their belts, our Illinois engineers began looking for ways to further improve their plate yields and avoid steel scrap. Utilizing upgraded nesting software plus an additional manual intervention, they found they could further reduce their steel scrap by another 4%. For this one laser machine, that represents an additional 130 metric tons of steel purchases avoided. Implementing a 4% scrap reduction across ten of the fiber laser machines we recently purchased would avoid up to 1,600 metric tons of steel scrap annually.



SUSTAINABLE PRODUCT DEVELOPMENT

REDUCING DOWNSTREAM VALUE CHAIN GHG EMISSIONS

The equipment Alamo Group manufactures is primarily used by local governments, industries, farmers, ranchers, and contractors to maintain vital infrastructure and produce food. Advances in alternative energy technologies help us design products with reduced environmental impacts, and many Alamo Group products can now operate with low or no greenhouse gas emissions across our vegetation management, infrastructure maintenance, and industrial equipment offerings. 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. Integrating clean energy technologies into our product development processes is critical to our sustainable growth objectives.



The ODB DCL800SM25-EV Hybrid-Electric Debris Collector

In 2023, Alamo Group announced the development of ODB's Hybrid-Electric Debris Collection system. The features of this new product pairs a high-efficiency diesel-powered fan drive mounted on a fully electric 240 kWh Battle Motors chassis. Electrifying the chassis results in the hybrid unit being 35% more fuel efficient than equivalent equipment mounted on a traditional diesel-powered chassis, and this can be paired with ODB's patented Eco-mode system for even more fuel-efficient operation.



The Conver C86-E Fully Electric Dredge Pusher

Dredging waterways can produce many environmental benefits, including improving water quality by removing contaminants that occur due to use of agricultural chemicals, sewage accumulation, buildup of decayed plant life and storm water runoff. It also helps preserve wildlife and ecosystems by remediating eutrophication, the excess buildup of nutrients in the water due to runoff that results in excess plant life growth and causes oxygen deprivation.

Conver's new C86-E fully electric dredge pusher can provide these beneficial dredging services without the CO2 emissions, and it is whisper quiet. It meets the latest maritime requirements, and is easy to charge via normal power current, a separate battery or a typical car charging station.



The Rivard Mistral ACCESS Electric Combination Sewer Cleaner

In close collaboration with RENAULT TRUCKS, Rivard has designed the first 100% electric French sewer-jetter combination truck. Our customers have a strong interest in this project which would allow them to operate in regulated low emission zones, to significantly reduce noise pollution and to allow them to reduce their environmental footprint. In designing this product, Rivard chose the Renault D19 WIDE E TECK chassis equipped with four 94 kWh battery packs, guaranteeing optimal payload and autonomy. This bodywork is mounted on a 19-ton carrier, to obtain a payload equivalent to that of a 16-ton unit and a wheelbase adapted to the size of the machine. The deep cabin guarantees better comfort for the driver and ensures better load distribution. This also allows for maximum storage space to be retained despite the bulk of the batteries in the wheelbase. To drive our equipment, the RENAULT TRUCKS carrier is equipped with a 70 KW E PTO power take-off guaranteeing full power operation of the vacuum and high-pressure jetting pumps. Rivard has developed a software program to optimize energy consumption, as needed, and this is completely transparent for the operator. The entire Rivard team was strongly mobilized on this project and was proud to show the Mistral Access Electric last Fall at the Pollutec Exhibition in Lyon.



The All-Electric McConnel ROBOCUT S300e

McConnel unveiled the groundbreaking ROBOCUT S300e, an innovative all-electric remote-control slope mower. Building upon the proven capabilities of the popular ROBOCUT S300, the all-electric version retains its exceptional features, including 55-degree slope operation, a 150m range, and bi-directional cutting. However, with the integration of electric power, it now offers the same high-performance level while ensuring zero emissions and reduced noise. The ROBOCUT S300e is powered by two advanced Vanguard 48-volt lithium batteries, providing a runtime of up to four hours for uninterrupted operation on a single charge. Recharging the batteries typically takes around eight hours. For added convenience, a fast-charging option is available, reducing the charging time to just four hours. Engineered for maximum efficiency, the ROBOCUT S300e features a new 1.1m rotary mulching deck that has been specifically designed for electric operation. Equipped with two powerful motors that directly drive the blades, this innovative design ensures optimal efficiency and superior cutting performance, resulting in a more effective and quieter mowing experience. The ROBOCUT S300e made its public debut at Flood and Water Live last July, where attendees had the opportunity to see the S300e in action and experience its capabilities and features firsthand.

SUSTAINABLE PRODUCT DEVELOPMENT UPDATES

Schwarze M6 Avalanche All-Electric Sweeper



Gradall EL 4100 All Electric Excavator



Nitehawk Electric-Hybrid Raptor Mid-Size Sweeper



Alamo Group Sustainable Products in Development

In the Spring of 2023, Alamo Group introduced three major new product initiatives which we believe will make significant reductions in downstream, use phase greenhouse gas (GHG) emissions in the years to come.

These products are Schwarze’s fully electric M6 mechanical street sweeper, Gradall’s fully electric telescoping boom excavator, and Nite Hawk’s hybrid electric mid-size regenerative air sweeper.

These products have been tested extensively in a variety of field conditions, and we are now making design tweaks, setting up production lines and working our supply chain to ensure that we secure the necessary electric chassis, motors, and other critical components to support anticipated customer demand.

The sweeper products are expected to be in production by the end of the year, with first shipment in late 2024 or early 2025.



Alamo Group Sustainable Products Already in Production

Over the past few years, Alamo Group has introduced several new products which reduce downstream, use-phase greenhouse gas (GHG) emissions through full electrification, hybrid-electrification, and other design changes which significantly improve (>25%) fuel efficiencies.

These products include Conver’s fully electric mowing boats, hybrid-electric products in the Timberwolf woodchipper and Rousseau power arm mower product lines, weight-reduced equipment in our Brazilian transshipment and McConnel power arm mowing product lines, products that improve fuel efficiency with significantly higher functional output like Tenco’s Wide Wing System, and other product design enhancements like ODB’s patented Eco-Mode system.

Sales of New Products That Reduce GHG Emissions	Amount (ml USD)
Fully Electric - Zero Emissions Equipment	\$ 1.6
Fuel Efficiency from Hybrid Electric Products	\$ 2.4
Fuel Efficiency from Weight Reduction	\$17.3
Fuel Efficiency from Increased Functional Output	\$ 4.2
Fuel Efficiency from Other Design Enhancements	\$ 2.5
Total	\$ 28.0
Percentage of Total Alamo Group Sales	1.7%

POLLUTION REDUCTION

Alamo Group is committed to mitigating the negative impacts related to air, water, and soil pollution, including prevention and control. 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 the most stringent regulations for health and safety, and environmental protection.

Pollution Reduction in Our Operations

Mixtures, fuels, solvents, paints, and dusts are all considered hazardous chemicals or materials that may be present in our facilities. Alamo Group provides extensive employee training to help workers identify hazardous chemicals and noxious substances; assess and control their risks in the workplace; understand the regulatory requirements, and safely store and transport these materials to ensure their proper containment and safe handling. At each of our facilities, onsite environmental and safety leads actively monitor all waste streams (air, liquid, and solids) to ensure regulatory compliance. Within our operations, most of our hazardous waste generation is tied to volatile organic compounds (VOCs) associated with wet paint and related solvents. VOCs and the combustion of fossil fuels account for nearly all of our air emissions. Prior to 2019 many of our large manufacturing facilities had already converted to dry powder coat paint systems. In 2023 our Texas plant converted from wet to dry paint and reduced their VOC emissions by over 90%.

Pollution Reduction Within Our Value Chain

Alamo Group works with its suppliers to reduce air, water and soil pollutants throughout the value chain and phase out the use of potentially hazardous substances. In recent years, new government regulations have changed how we identify and manage such material to ensure product safety. For example, we make regular inquiries to our suppliers to comply with regulations which require that we list certain substances in a public database for products

imported into and sold in the European Union. The process of identifying and replacing these substances faces some headwinds. Manufacturers of synthetic polymers often guard the additives they use as trade secrets and resist disclosure. Some of the more recently identified substances of concern, like PFAS and PIP 3:1, can be used as fire retardants and suitable replacements need to be found to avoid other product safety concerns. We will continue to work with our suppliers to meet all of these challenges.

Alamo Group will also create positive environmental impacts by continuously improving product designs to reduce the use of pollutants in their manufacture and help our customers more efficiently use our products to reduce pollution in their communities. For example, transitioning from diesel to electric products not only reduces air pollution, the replacement of fluid power systems with electric circuits can also significantly reduce the use of synthetic polymers and eliminate the need for hydraulic oil. Our products also perform important roles in reducing pollution. For example, street sweepers remove pollutants from city streets, reducing the runoff of pollutants into storm drains and water systems, and hydro-excavation vacuum trucks are often used in soil remediation projects.

CASE STORY

BEET JUICE FOR BALLAST

Some of our specialty roadside mowers utilize a liquid tire ballast in the left-hand rear tractor tire to help stabilize the tractor during boom mowing operations. The tire ballast acts as a counterweight and increases traction and steering control for the tractor. In many of these products, we have replaced calcium chloride with beet juice for the tire ballasting. The beet juice is a byproduct of sugar beets, weighs about 11 pounds per gallon, and is freeze-resistant down to minus 35 F. The beet juice is nontoxic, biodegradable, and non-corrosive to steel wheels. It requires no mixing or no inner tubes are needed in the tires. The liquid beet juice is delivered in tanker trucks and is pumped into a 2,500-gallon storage tank, from which the tractor tires are filled. Approximately 100 gallons of fluid is added to each product, resulting in 1,100 pounds of counterweight. The combination of the tire ballast and a cast iron wheel weight creates a safe, stable platform for the boom mower operators.





WATER CONSERVATION

According to a survey using the World Resources Institute’s Aqueduct tool, our manufacturing operations are not located in high water risk areas, nor do our production processes require large quantities of water use. Nevertheless, Alamo Group has taken action to reduce water consumption by nearly 16% from our base year level. We act to conserve water resources through rainwater harvesting, recycling water in our production processes and repairing leakage in our plumbing systems.

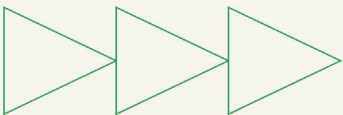
In our Texas plant, paint was outsourced for part of 2022 while a new paint system was constructed. The full year of painting operations in 2023, compared to the partial prior year, caused an increase in water use at this facility.

Because our water use is light and the opportunities to reduce it are limited, and because we don’t operate in high water-stressed areas, our 2025 and 2030 reduction targets are relatively modest and, we believe, still achievable.

Water Conservation Within Our Value Chain

Downstream, our vacuum truck products use water for hydro-excavation and sewer cleaning. We offer a water recycling filtration unit as an option on this equipment, allowing our customers to increase equipment utilization, as well as reduce water and fuel costs.

Empowering Communities
through Innovative Solutions



Cubic Meters

2019	2020	2021	2022	2023	2025 Goal	2030 Goal
Water Drawn from Wells						
14,622	14,844	14,162	15,728	13,280		
Water Purchased from Utilities						
90,474	83,007	84,485	69,227	76,835		
Water Recycled						
			2,406	2,574		
Water Discharged						
105,096	97,851	98,647	84,955	90,115		
Net Water Used/ 1000 Hours Worked						
13.5	14.0	12.2	10.4	10.9	10.2	9.8

PRESERVING BIODIVERSITY AND ECOSYSTEMS

In previous reports, we have shared stories about our involvement in tree plantings, as well as adding flowering plants and bee colonies to our properties. We have told you about our employees leading and participating in clean-up projects within our communities. We have also described how several of our products play important roles in maintaining soil health, removing invasive plant species, and reducing soil compaction during their operation.

In this report, we focus on the significant role Morbark horizontal and tub grinders play in the composting and soil amendment processes by providing efficient means to manage organic waste and produce high-quality compost. These machines are designed to shred, grind, and pulverize various organic materials, ranging from yard waste and agricultural residues to food scraps and wood debris. Through their unique mechanisms and capabilities, horizontal and tub grinders contribute significantly to the advancement of sustainable green waste management practices and the enhancement of soil health. Because of the number of these products already deployed, as well as the high volume of material they can process, their end use represents the most significant positive impact of any Alamo Group product in the promotion of soil health and biodiversity. The finely mulched organic matter they produce can be used in composting, biochar production or as a direct soil amendment.

These products accelerate composting by breaking down bulky organic materials into smaller particles, thereby increasing the surface area available for microbial activity. By reducing particle size, these

machines facilitate faster decomposition rates, allowing organic matter to transform into nutrient-rich compost more rapidly. Our horizontal and tub grinders also homogenize diverse feedstocks, resulting in a more balanced and nutrient-rich compost product. By mixing different types of organic materials, including carbon-rich (browns) and nitrogen-rich (greens) components, these machines facilitate the creation of compost blends with optimal carbon-to-nitrogen ratios. This ensures proper nutrient balance and microbial activity, leading to the production of compost with enhanced fertility and soil-building properties. The use of horizontal and tub grinders in composting operations helps divert organic waste from landfills, reducing greenhouse gas emissions and mitigating environmental pollution. By processing organic materials on-site or at centralized composting facilities, these machines contribute to the development of closed-loop waste management systems, where organic waste is recycled back into the soil as a valuable resource.

In addition to composting, the finely ground organic material produced by horizontal and tub grinders can also be applied directly as a soil amendment, enriching agricultural soils, and promoting plant growth. Whether applied directly into the soil or for use in composting, the materials processed by horizontal and tub grinders are used to improve soil structure, moisture retention, and nutrient availability, fostering healthier and more resilient plant ecosystems.



RESOURCE USE, WASTE AND CIRCULARITY

WASTE REDUCTION AND CIRCULARITY IN OUR OPERATIONS

Sustainability is about eliminating waste, not narrowly defined, like refuse sent to a landfill, but broadly defined, as in any waste of materials, energy, labor, financial resources, and capacities embodied in the products and services provided to the end customers. Alamo Group believes that waste reduction isn’t limited to more efficient resource use to produce a linear output but should also become more circular in nature. Circularity can be achieved throughout our value chain, from the development of returnable dunnage to refurbishing existing equipment for our customers. The objective of circularity is preserving raw materials and the value-added, keeping it in use to avoid the demand for new resources for as long as possible.

Alamo Group companies design and implement waste avoidance and 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 collaborating with our supply chain partners.

At our facilities, most of our landfill waste stems from packaging, pallets, and other shipping materials. Through the development of reusable and returnable dunnage, reuse of packaging materials and enhanced recovery and recycling efforts, Alamo Group has reduced operational landfill waste intensity by 22% since our 2019 base year.

Relocation of Production Between Facilities

In 2023, and to a lesser extent in 2022, Alamo Group relocated production between facilities as part of our efforts to reduce our physical facility footprint and rationalize operations. In 2022, we relocated our Kansas snow removal equipment production to Wisconsin, and in 2023 we moved sweeper production from Washington to Wisconsin, ZTR production between facilities in Illinois and Indiana, and some of our forestry equipment production between our two Ohio facilities. Shipping equipment and inventory between these facilities resulted in excess dunnage and accounts for most of the increase in operational waste between 2022 and 2023.

Excluding Construction Waste from Building Renovation

2023, Alamo Group also had several major building renovation and roof replacement projects which generated large amounts of heavy, non-recurring construction debris. Some of this renovation work at our UK, Ohio and Michigan plants will help these facilities become more energy efficient and, in the UK, prepare roof surfaces for installing solar energy arrays. The non-recurring, non-operating waste excluded from our comparative numbers shown below totaled about 254,000 kilograms.

Other Changes

When verifying the landfill waste metric back to source documents, Alamo Group determined that one of our Wisconsin plants has been systematically over reporting their landfill waste since the 2019 base year. Correcting this error reduces each of our previously reported landfill waste numbers between 289,000 and 398,000kg each year. We have made this adjustment to all of the years in the table below and reset our 2025 and 2030 targets as appropriate. We remain committed to our 2030 target of reducing landfill waste intensity by 50% of the adjusted base year level.

Finally, Alamo Group reconsidered our recycled waste percentage goals. This metric is overwhelmingly driven by the recycling of steel scrap. As discussed elsewhere in this report, we are making a concerted effort to drive down steel scrap. Because steel scrap is significantly heavier than landfill waste, this will have the effect of driving down our percentage recycled metric. As a result, we have moderated our 2025 and 2030 percentage recycled goals in this report and will separate these two waste streams in future reports.

	2019	2020	2021	2022	2023	2025 Goal	2030 Goal
Landfill Waste (kg)	2,908,100	2,480,342	2,410,861	2,264,327	2,419,304		
Landfill Waste Intensity (kg/1000 Hours Worked)	374	355	299	277	292	262	187
Waste Incinerated (kg)	14,621	71,621	129,298	224,913	241,286		
Waste Recycled (kg)	13,731,748	12,243,285	14,019,279	14,103,081	13,593,428		
% Total Waste Recycled	82%	83%	85%	85%	84%	85%	86%
Hazardous Waste per EPA Guidelines (kg)				445,032	460,794		

WASTE REDUCTION AND CIRCULARITY IN OUR VALUE CHAIN

The equipment produced by Alamo Group companies is durable. Many of our direct customers have planned replacement cycles for the new equipment they purchase from us, but the equipment they replace is almost always sold to a second owner. We remain highly engaged with our customers and independent dealer networks to protect the value of our brands by ensuring our products perform to expectations, have long service lives, high resale value, and continue to perform for their second and even third owners.

Our equipment is also repairable and frequently refurbished, and Alamo Group commits significant resources to support the maintenance, repair and refurbishment of our products throughout our value chain. These parts and service revenues accounted for \$268 million or 16% of our total 2023 sales.

Continued customer engagement after the sale is also key to avoiding wasted resources and ensuring product durability. Alamo Group already has an established operator training program for its customers, which focuses on safety as well as the proper operation and care of the equipment. Our operating companies also support customers with field service and maintenance training programs.

With recent supply chain disruptions and higher costs of low-emission equipment, we are seeing growing customer interest and demand for equipment rental, refurbishment and other services to further enhance equipment durability, utilization and lower the total operating cost of snow removal, sewer cleaning and other critical services our products facilitate. We expect these trends to continue and provide additional opportunities to create circular economies. In 2023, our rental revenues and sales of used equipment totaled \$42 million or about 2.5% of total sales.

Refurbishing Hydro Excavators for Large Contractor Customer

With truck chassis in short supply and a desire to improve asset returns, Hydro-X, one of our major contractor customers asked us to refurbish 10 of their hydro-excavation trucks which had been in the field an average of 8 years and had about 16,000 engine hours on them. It is a large project that requires a coordinated effort between multiple Peterbilt truck dealers and several of our Super Products stores.

The trucks were first delivered to the Peterbilt dealerships where refurbishment included remanufacturing of the engines and transmissions. They were then delivered to one of our rental and service stores to complete the refurbishment, which included overhaul and replacement of hydraulic systems, water pumps and other key components of the hydro-excavation unit.

In 2023, we completed 7 of these units, with the remaining to be completed in 2024. Our customer expects to extend the service lives of these units by an additional 7 years.

Refurbishment is a financial win-win for both Alamo Group and its customers. For Alamo Group, it is a profitable line of business with some growth potential. For the customer, the cost of the refurbishment relative to the extension of useful equipment life provides an excellent return on their investment.

And the environment also wins as the important services performed by this product continue on without prematurely incurring the footprint of extracting and converting the resources to manufacture another product before it's actually needed. By refurbishing these units, we not only kept materials in their highest and best use, but we also preserved most of the value added, including the embodied resources and energy required to produce a new vacuum truck.



“Due to the cost of new equipment and the negative effect of turning a good used Vac Truck out to the secondary market only for it to be used to compete against us, refurbishing these trucks was a sound economic and environmental choice. The refurbishment program gives new life to tired equipment and gives us a reliable option to expensive new Vac Trucks. Hydro Excavators is proud to partner with Super Products. They did such a nice job that I had operators running two-year-old trucks asking if they could switch.”

- Dan Craig, Fleet Director,
Hydro-X & Hydro-X II



OUR
WORKFORCE



EMPLOYEE SAFETY

Recordable Injuries

As one of our key sustainability performance indicators, recordable injuries are consistently measured throughout all of our operations using the OSHA definition. Improving the culture at our companies to identify hazards and avoid injuries has been a management priority for many years. Our recordable injuries have been steadily declining each year and stand well below industry averages for similar manufacturing companies. In 2023 Alamo Group achieved our previous 2025 target, so we are again favorably revising our 2025 and 2030 targets to stay on a path of continuous improvement.

Employee Fatalities

Alamo Group has not had an employee fatality due to an accident or injury in our operations during the reporting period.

Near Miss Reporting

In 2023, Alamo Group began to emphasize the importance of Near Miss reporting throughout our operations. Regular monthly Near Miss reports were received from 22 Alamo Group operations. To clarify, a Near Miss doesn't mean two forklifts narrowly avoided a collision, although that would be reported as a Near Miss. The vast majority of Near Misses reported through this process identify an unsafe condition such as a missing machine guard or a tripping hazard in an aisle. Near Miss reporting is an important element of safety culture development, so we are not yet setting a reduction goal because we actually want more employees to identify hazards and report more Near Misses. In 2023, Alamo Group operations reported 1,476 near misses, or 36 near misses for

every 100 employees, or 200,000 employee-hours.

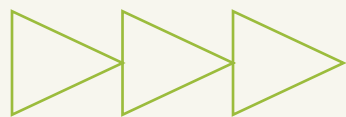
Employee Safety Training

The Alamo Group Corporate Safety team has developed and implemented an instructor led safety certification program to provide all employees with an understanding of our safety requirements and a practical knowledge of hazard awareness and identification in each employee's facility, with the aim of developing a culture of employee safety. This program is similar to the OSHA 10-hour program but is specific to Alamo Group companies and the hazards present (such as manual material handling, hand injuries, and ergonomics). The certification includes practical hazard identification and communication training in the facility as well as instructor led training via classroom.

To support the certification program, Alamo Group Corporate Safety Team provides a train the trainer class to develop a group of authorized trainers at each facility to provide additional employee safety training sessions, as needed. Each authorized trainer is required to complete the safety certification and train the trainer program (at least 4 days of training) to receive this authorization. Authorized trainers are able to provide the instructor led safety certification training at any Alamo Group facility and submit proper documentation to Alamo Group Corporate to certify the employees they train. Authorized trainers are required to re-certify via an abbreviated update class every 3 years.

In 2023, nearly 20 Alamo Group companies are fully engaged with the new safety certification program, and several have provided the training to all employees and incorporated the training into their new employee on-boarding process. Over 40 employees have also completed the train the trainer program and are regularly providing the training to other employees.

	2019	2000	2021	2022	2023	2025 Target	2030 Target
OSHA Recordable Injuries per 100 employees (200,000 employee-hours)	4.1	3.7	3.1	2.6	2.3	2.2	1.9
Employee Fatalities	0	0	0	0	0	0	0
Near Misses per 100 employees (200,000 employee-hours)					36		



EMPLOYEE TRAINING & DEVELOPMENT

In addition to extensive employee safety training already discussed, each Alamo Group operation provides additional training based upon the risks and opportunities of their specific operations. Such training programs range from the proper handling of hazardous materials to improving manufacturing efficiencies. However, there are certain training opportunities and mandatory training requirements which are standardized across most, if not all, Alamo Group operations. These corporate-driven programs generally fall into the categories of (1) leadership development and (2) compliance/risk mitigation.

Last year we introduced the Alamo Group Learning and Development Academy and launched several new opportunities for employee and leadership development. Three of the most significant initiatives included:

- ▶ AGILE (Alamo Group Inspiring Leadership Excellence) – a 9-hour foundational Supervisor and Management development program.
- ▶ Skilled Frontline Leadership Training – A 10 module, 40-hour curriculum conducted by certified Front Line Leadership facilitators enabling leaders to create work environments that foster employee engagement, improve performance, and increase employee satisfaction.
- ▶ Cornell University Certificate Programs – In partnership with Cornell University, Alamo Group offers certification in Sales, Project Management, Product Management, and other programs. These certificate programs consisted of 5 or 6 courses (a 15 to 18 credit-hour curriculum).

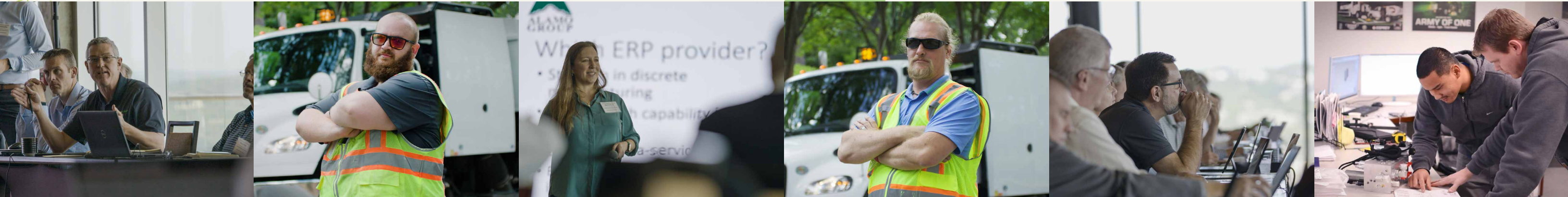
These initiatives, combined with accountability for core competency development integrated into our succession planning process, provide a foundation for the development of our next generation of company leaders. In 2023, Alamo Group increased our commitment to these leadership development programs (see table):

- ▶ 312 of our leaders completed AGILE training,
- ▶ 62 managers in the U.S., Canada, and the U.K. completed Frontline Leadership Training, and
- ▶ 22 employees completed Cornell University Certificate Programs in Product Management (6), Project Management (12), and Sales Profession (4).

2022	Key Leadership Development Programs	2023
120	AGILE Training Graduates	312
20	Frontline Leadership Graduates	62
15	Cornell University Certificate Program Graduates	22

Alamo Group also provided training to meet compliance/risk mitigation and additional employee development training objectives, including:

- ▶ 2,498 Alamo Group employees worldwide completed mandatory annual training in our Code of Business Conduct & Ethics with 100% participation of those required to complete it,
- ▶ 2,280 Alamo Group employees worldwide completed mandatory annual cybersecurity awareness training with 100% participation of those required to complete it,
- ▶ All 2,589 Alamo Group employees in the U.S. completed mandatory Respect in the Workplace and Open-Door Communications training,
- ▶ 326 Alamo Group leaders in the U.S. completed annual mandatory compliance training on topics such as Affirmative Action and Coaching & Discipline, and
- ▶ 1,241 employees attended optional monthly Leadership Webinars on the following topics: Stay Interviews, Employee Engagement, Effective Leadership, Proactive Planning, Project Management, Decision Making, Giving Feedback, Conflict Resolution, Creative Problem Solving, Customer Service, Building Resilience, and Time Management.



EMPLOYEE WELLNESS AND FAMILY-FRIENDLY BENEFITS

Company location, country, or region. For our US-based companies, the most common benefits include medical, dental, and vision, wellness programs, short and long-term disability, life insurance, retirement benefits, holidays and other paid time off, sick days, vacation 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, as well as opportunities for training and development.

- ▶ Benefits are available for same-sex and domestic partners
- ▶ Two employee assistance programs are 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
- ▶ Similar benefits are offered to our employees in other countries based on local laws and traditions

OUTREACH EFFORTS TO IMPROVE DIVERSITY

In 2023, Alamo Group continued its strong partnerships with diverse community groups and updated its policies and procedures.

Alamo Group’s outreach efforts have yielded an increase in diversity in most job categories. 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 passive diversity candidates who are not actively seeking new opportunities to attract them to our company.

COMMITMENT TO SAFETY

Safety comes first, *always*

We prioritize safety above all else and remain committed to ensuring the safety of our employees, customers, and communities.



WORKERS IN OUR VALUE CHAIN

Human Rights in Our Supply Chain

Alamo Group is committed to respecting and upholding the internationally recognized human rights principles of the United Nation's Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights. Alamo Group requires our suppliers and others with whom we conduct business to do the same.

Our suppliers must not hire any workers that are younger than the minimum age prescribed by the local jurisdiction in which the Supplier operates, and in no event shall a Supplier hire or employ workers under the age of fifteen. Our suppliers are prohibited from using any forced labor in their operations, whether in the form of prison labor, bonded labor, indentured labor, slavery or otherwise. Alamo Group holds our suppliers to the same standards that we hold ourselves. Suppliers are required to treat employees with respect and dignity and will not subject any employee to any physical, sexual, psychological, or other form of abuse. Our suppliers must support diversity and equal opportunity in their workplaces and must prohibit discrimination based on race, gender, color, nationality, age, disability, sexual orientation, or marital status. Our suppliers must respect the right of employees to freely associate and to collectively bargain in accordance with applicable laws, comply with applicable wage and hour labor laws and regulations governing employee compensation and working hours, provide a safe and healthy work environment and take appropriate measures to support accident prevention in the workplace. Up until

now, these requirements have been communicated by written policy. Beginning in 2024, such requirements will be integrated into the contractual terms and conditions of our supplier relationships.

Our direct vendors generally produce industrial goods and services that do not lend themselves to the use of seasonal, migrant or child labor. We frequently visit and physically inspect the facilities of our direct suppliers, regardless of location, and believe that the risks of slavery and human trafficking at this level of the supply chain are very low. A supply chain for products like ours generally ranges from 8 to over 20 tiers. Our visibility beyond our direct vendors is very limited. If there are human rights issues in our supply chain, they would most likely be at or near the point of mineral resource extraction.

In accordance with our Conflict Minerals policy, Alamo Group makes reasonable country of origin inquiries and perform supply chain diligence to determine whether or not any materials in the products we buy originated in mines controlled by armed groups known to use child and slave labor. In accordance with the Uyghur Forced Labor Prevention Act, Alamo Group also makes inquiries of our Chinese suppliers to ensure the products we source from them do not contain any materials sourced from Xinjiang Province. In 2024, we will begin screening our direct suppliers, as well as a selection of their suppliers, using the same denied party screening tool that have been using to ensure we do not sell to banned individuals and entities.

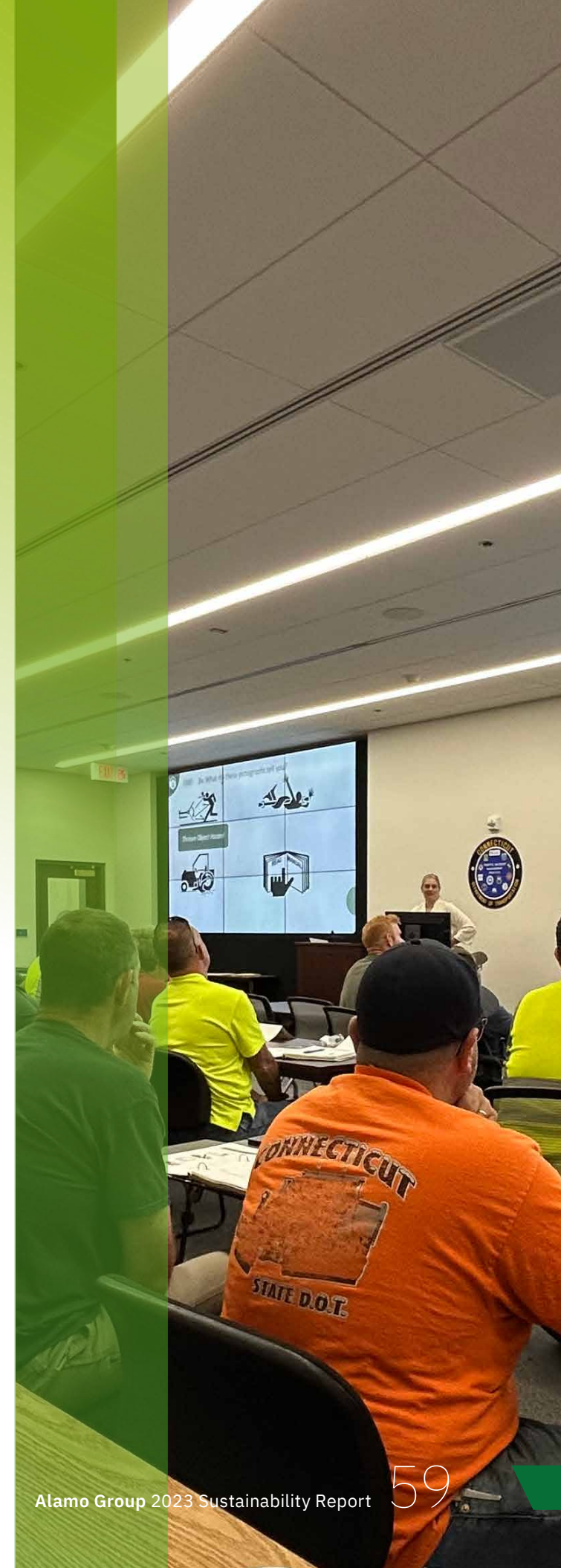
Operator Safety Training

Alamo Group first developed its operator safety training (OST) program in 2007 to train end-user equipment operators in the safe use of our tractor-mounted mowers. This seven-hour training program trains and empowers operators to prioritize safe and sustainable practices while running their equipment. The course consists of a classroom portion to cover equipment safety and a hands-on part, where the operators use the equipment to demonstrate proficiency. This past year, 372 equipment operators have completed the program, and over 25,000 operators have received this training since its inception. Participants have long praised the program for its effectiveness in addressing crucial safety issues and resulting sustainable practices.

At the heart of this training is a focus on pre-inspection checklists, which teach operators the importance of knowing the condition of their equipment before operation. By incorporating these safety practices from the outset, operator training also contributes to increased equipment durability, reduced frequency of part replacements, and reduced environmental impact.

In 2024, the Alamo Group's OST Program is expanding its equipment scope. Plans encompass not only the integration of pre-inspection checklists but also the extension of sustainable practices into the routine operations of an expanded fleet, now encompassing tractor mowers, zero-turn mowers, street sweepers, woodchippers, and the addition of electric-powered equipment.

This expansion reflects Alamo Group's commitment to cultivating safe and sustainable practices across diverse equipment types. By incorporating operational best practices into the training curriculum for each equipment category, the OST Program aims to not only enhance the safety of our customers' employees, but also promote responsible equipment operation.



SUPPORTING OUR COMMUNITIES

CHARITABLE GIVING

Giving back to the local areas where we do business is an important part of Alamo Group’s philosophy. We believe we have a responsibility to the communities where our employees and customers live and work, and we constantly strive to find ways to give back. Alamo Group companies work with diverse organizations in our communities to advance economic, environmental, and societal issues and share best practices across industries through our efforts.

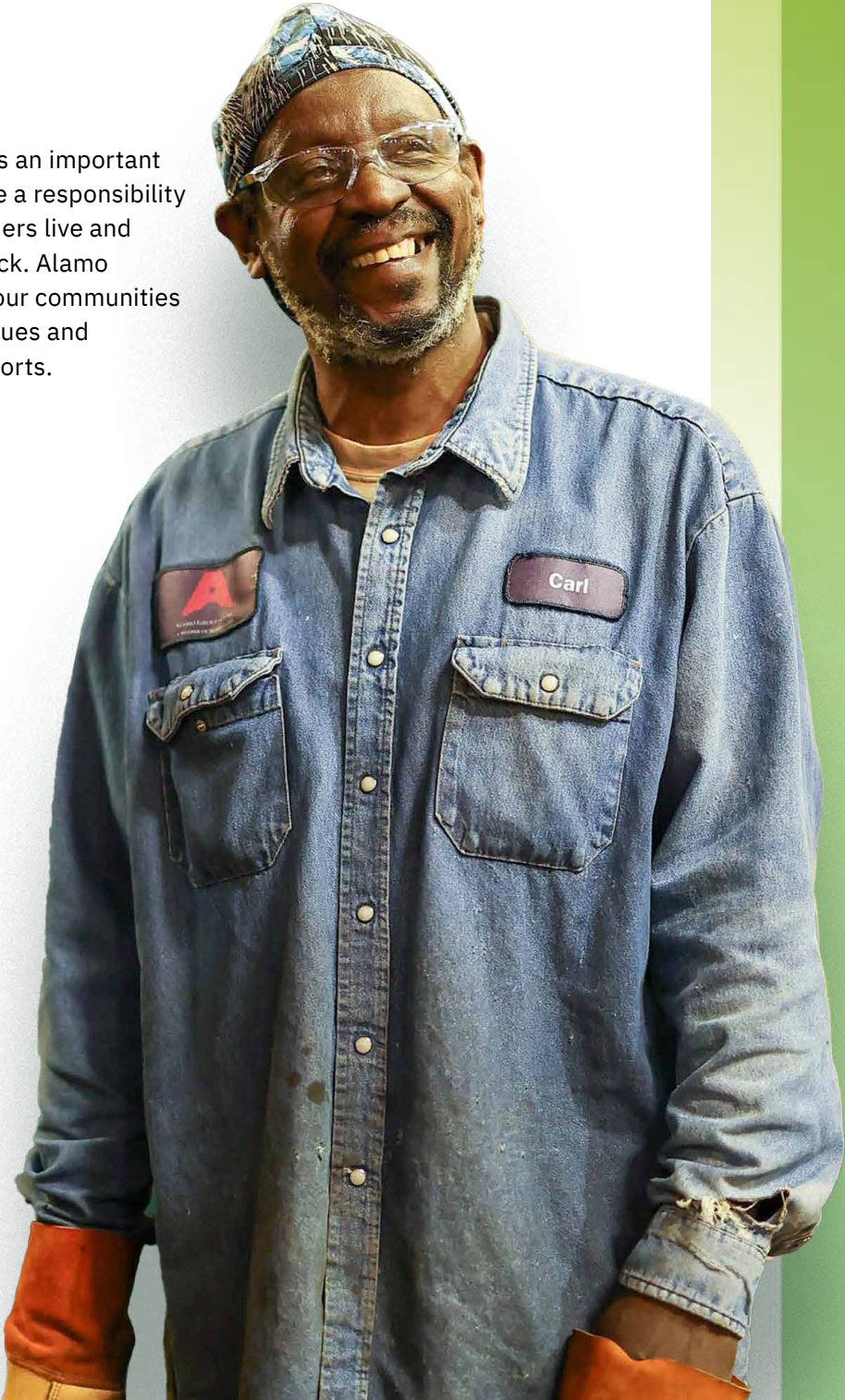


\$363,916

Alamo Group donations in 2022

\$414,636

Alamo Group donations in 2023



Driven in part by the needs of tornado victims in the city of Selma, Alabama and donations to help settle displaced Ukrainian families near our operations in Saskatchewan, our charitable giving increased in 2023.



DEVELOPING FUTURE GENERATIONS OF **SKILLED WORKERS**

MFG Day

Celebrated nationally on the first Friday in October, Manufacturing Day (MFG Day) offers hundreds of manufacturers across the U.S. a way to inspire a career in manufacturing to students, parents, educators, and the surrounding communities. Alamo Group proudly participates each year, bringing awareness and appreciation to Careers in Manufacturing.

National Intern Appreciation Day

Alamo Group interns gain valuable exposure through experiential learning in Engineering, Research & Development, Information Technology, Accounting and Human Resources. Alamo Group hosted a virtual event called “Conversations with the CEO” where interns met with CEO Jeff Leonard, asked questions, and provided feedback on their internship experience.

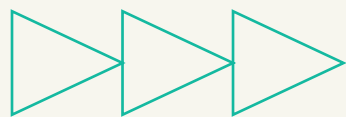
\$28,250

113 Dependent Scholarships were awarded to qualified dependents of Alamo Group employees in 2023, totaling

\$390,000

Awarded to employee dependents since 2012,





GOVERNANCE AND 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

Alamo Group believes 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 eight 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 financial expert

Compensation Committee

- ▶ Sets and administers policies that govern executive compensation including setting the CEO and Named Executive Officer compensation
- ▶ Comprised of five 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.

Business Conduct and Ethics

Our Code of Conduct and our FCPA and Anti-Corruption Law Policy require strict compliance with all applicable laws and regulations, including local laws and regulations of each country where Alamo Group conducts business. It also describes our commitment to, and policies for, doing business with integrity, including, without limitation, corruption, bribery, kickbacks, extortion, embezzlement, and other similar practices.

The Code applies to all Company employees, executives, and directors. We communicate our Code of Conduct to all of our employees. In 2023, all of our office employees completed an annual mandatory Code of Conduct training.

Our anti-corruption and trade compliance program is managed under the direction of the Executive Vice- President & General Counsel.

Political Contributions and Lobbying

Alamo Group does not permit contributions 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. Alamo Group encourages 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 employees and board members are required to complete Ethics and Code of Conduct training annually.

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 Group has identified information security as an important risk for our company, 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:

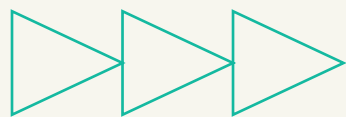
- ▶ Limiting physical access to server, storage, and network equipment to necessary staff.
- ▶ Implementing electronic safeguards such as firewalls and network segmentation techniques to prevent unauthorized access to information
- ▶ Scheduling monthly vulnerability assessments performed by a third party 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 abuse 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.

Links to all of our sustainability-related policies can be found on page 75 of this report.



ABOUT THIS REPORT

Boundaries and Scope

This is Alamo Group's fourth annual sustainability report, based on calendar years 2019- 2023 data. We follow the World Resource Institute's Greenhouse Gas (GHG) Protocol and use the Sustainability Accounting Standards Board (SASB) Industrial Machinery Standard to guide our reporting boundaries and disclosures. Data collection covers all Alamo Group facilities, both manufacturing and non-manufacturing, except for a few small (one to two-person) operations where either the landlord maintains operational control of the facility, or the emissions are considered too small to justify data collection. The locations excluded from this report consist of seven small service shops in France and a small, now-closed, truck up fitting center in Vermont. Our greenhouse gas inventories include all relevant sources of Scope 1 and 2 emissions, including direct purchases of fuel oils, but our data collection is not complete with respect to indirect fuel purchases for company-controlled vehicles driven by field sales personnel. Such indirect purchases of fuel are reimbursed to employees as travel expenses. In 2023, our GHG initiatives expanded to include more of these indirect fuel purchases, and we made corresponding adjustments to prior years amounts for comparative purposes. Our greenhouse gas inventory planning addresses methods for more complete data collection, but we do not believe the above omissions are currently material to our reported results.

Assurance and Verification

Alamo Group believes this report contains information that is accurate, timely, and balanced. In preparing the material for this report, we have completed an internal assessment process to review the contents for accuracy, completeness and clarity, but the report is not externally assured and the data within this report has not been third-party verified.

Restatements and Use of Estimates

Consistent with GHG Protocol guidance, we have restated prior year measurements for structural changes, such as mergers & acquisitions. However, in this report, we have not included the recently acquired Royal Truck operation.

When accounting for mergers & acquisitions and structural changes, we gather data for the comparable pre-acquisition periods when available and material to our results. For smaller facilities, we sometimes estimate pre-acquisition emissions based upon the first twelve months data collection under our operational control. When measuring small sources of GHG emissions, and the weight of landfill waste hauls, we occasionally use estimates when actual data is unavailable. We are working to continuously improve the precision and completeness of our measurements. When more precise or complete data is developed, we will report using the more reliable data source and adjust prior year results if comparability is meaningfully enhanced. These adjustments to prior year results in this year's report are disclosed in the relevant disclosure and analysis sections of this report.

Measures of Intensity

Some of our environmental measurements are at least partially variable to the level of production activity. As a result, we state some amounts relative to an estimate of production output based upon employee hours worked. This base includes permanent and temporary employee hours worldwide.

For More Information

Alamo Group welcomes your feedback, comments, and questions on this report and other sustainability matters.

Corporate Sustainability Team
1-800-638-7213
sustainability@alamogroup.com

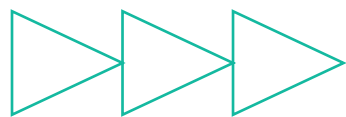
Cautionary Statement about Forward-looking Statements

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, 2022, filed on February 23, 2023.



**Empowering Communities
through Innovative Solutions**





ESG TEARSHEET

Indicator	UOM	2023	2022	2021	2020	2019
ELECTRICITY						
Vegetation Management Division	MWh	30,891	31,932	32,942	30,115	31,567
Industrial Equipment Division	MWh	16,086	16,920	17,535	18,558	22,496
Corporate	MWh	239	186	162	171	194
RENEWABLE ENERGY - ELECTRICITY						
Vegetation Management Division	% of total	23.3%	22.2%	21.8%	17.9%	16.9%
Industrial Equipment Division	% of total	35.0%	34.9%	34.9%	30.5%	28.8%
Corporate	% of total	25.8%	24.6%	22.8%	19.8%	18.2%
NATURAL GAS						
Vegetation Management Division	mcf	257,458	256,981	246,064	227,496	237,966
Industrial Equipment Division	mcf	124,777	134,568	120,093	119,445	148,830
TOTAL ENERGY USE						
Vegetation Management Division	gigajoules	411,921	415,743	410,503	380,367	402,289
Industrial Equipment Division	gigajoules	215,592	228,630	216,257	218,634	272,848
Corporate	gigajoules	859	668	582	615	700

Indicator	UOM	2023	2022	2021	2020	2019
PROPANE						
Vegetation Management Division	mcf	3,052	3,208	3,094	2,781	3,008
Industrial Equipment Division	mcf	4,602	4,984	5,273	5,140	6,716
FUEL OIL						
Vegetation Management Division	US gal	138,302	139,015	159,549	161,684	196,861
Industrial Equipment Division	US gal	89,534	80,233	79,385	77,749	109,279
ACETYLENE & PROPYLENE						
Vegetation Management Division	mcf	124	136	129	198	149
Industrial Equipment Division	mcf	13	15	13	9	9
SCOPE 1 EMISSIONS						
Vegetation Management Division	MT Co2e	17,120	17,172	16,826	15,733	16,685
Industrial Equipment Division	MT Co2e	8,958	9,501	8,747	8,666	10,913
Corporate	MT Co2e	13	-	-	-	-
SCOPE 2 EMISSIONS (LOCATION-BASED)						
Vegetation Management Division	MT Co2e	12,819	13,656	13,657	13,389	14,886
Industrial Equipment Division	MT Co2e	4,374	4,823	4,726	5,794	7,714
Corporate	MT Co2e	86	69	60	68	83
SCOPE 2 EMISSIONS (MARKET-BASED)						
Vegetation Management Division	MT Co2e	11,322	11,356	12,243	14,159	15,131
Industrial Equipment Division	MT Co2e	4,480	4,556	5,094	6,306	8,375
Corporate	MT Co2e	99	76	68	76	94

Indicator	UOM	2023	2022	2021	2020	2019
NET WATER CONSUMPTION						
Vegetation Management Division	cubic meters	59,936	55,781	66,543	67,545	60,756
Industrial Equipment Division	cubic meters	28,517	27,895	31,120	28,855	42,768
Corporate	cubic meters	1,662	1,279	984	1,451	1,572
TOTAL WASTE TO LANDFILL						
Vegetation Management Division	kg	1,276,567	1,138,588	1,218,893	1,253,471	1,475,057
Industrial Equipment Division	kg	1,134,737	1,117,680	1,186,349	1,219,245	1,423,156
Corporate	kg	8,000	8,059	5,619	7,626	9,887
WASTE RECYCLED						
Vegetation Management Division	% of total	84%	86%	86%	87%	87%
Industrial Equipment Division	% of total	86%	83%	83%	76%	80%
VOC EMISSIONS						
Vegetation Management Division	pounds	257,323	239,530	217,566	155,465	167,195
Industrial Equipment Division	pounds	137,426	137,913	130,724	175,635	210,772



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

Corporate Sustainability Team

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RESOURCES

WWW.ALAMO-GROUP.COM/REPORTS-AND-POLICIES/

- ▶ [Alamo Group Sustainability Reports](#)
- ▶ [Conflict Minerals Policy & Report](#)
- ▶ [Environmental Policy](#)
- ▶ [Foreign Corrupt Practices Act and Anti-Corruption Law Compliance](#)
- ▶ [Labor & Human Rights Policy](#)
- ▶ [Privacy Policy](#)
- ▶ [Safety Guidelines & Safety Code of Ethics](#)
- ▶ [Supplier Code of Conduct](#)

WWW.ALAMO-GROUP.COM/CORPORATE-GOVERNANCE/

- ▶ [Business Code of Conduct](#)
- ▶ [Corporate Governance Guidelines](#)



2024



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