

John Deere's Support of Human Rights in Our Business Practices



On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) will go into effect in the state of California. The act seeks the elimination of slavery and human trafficking from product supply chains and requires that companies disclose their efforts to ensure that their supply chains are free from slavery and human trafficking.

John Deere is known for its commitment to social responsibility, both as an employer and in how we conduct our business. The Ethisphere Institute has included John Deere in its list of the world's most ethical businesses since 2007, when it first began recognizing social responsibility at a corporate level.

As a responsible corporate citizen, John Deere strives to ensure that human rights are upheld for our employees and all workers in our supply chain. We strive to ensure that slavery and human trafficking are absent from our supply chain through the following:

Supplier Code of Conduct:

- Our [Supplier Code of Conduct](#) clearly establishes guidelines for the standard of ethical behavior expected from our suppliers. It states that suppliers may not use child, slave or forced labor. The code of conduct was introduced in 2005, and communicated to employees and suppliers at, and since, that time. As new suppliers enter our supply base, it is our standard practice to review the code of conduct with them. The code of conduct is available to the public on JohnDeere.com and to employees and suppliers through our JD Supply Network supplier portal. In addition, the code of conduct has recently been revised. The updated version will be available in January 2012.
- Our employees regularly discuss the Supplier Code of Conduct with suppliers during supplier conferences, meetings and performance reviews.
- Many of our standard contract templates contain language incorporating the Supplier Code of Conduct.
- Our [purchasing terms and conditions](#), which are available on our supplier portal, state that the, "Seller shall comply with the John Deere Supplier Code of Conduct," with a link to the document.

Risk-based assessments and audits:

- Suppliers who want to enter our supply base must complete a supplier information survey. The survey, which is administered by John Deere employees, requires suppliers to verify and certify that they do not use child or slave labor, or engage in human trafficking.

- We periodically conduct “red flag” audits for potential suppliers, and current suppliers who provide less complex components. These audits use a short series of key questions from the Supplier Code of Conduct that verify and certify that suppliers do not use child or slave labor, or human trafficking.
- We conduct in-depth audits of all new suppliers against the John Deere Standard JDS-G223, the company’s supplier quality manual. The audit is derived from the manual, and contains questions that verify and certify that suppliers conduct their business according to the John Deere Supplier Code of Conduct.
- In addition, we audit current suppliers of critical components in order of importance and highest risk. These audits use the same JDS-G223 criteria.
- Both JDS-G223 audits and “red flag” audits are conducted by teams of John Deere employees. The employee auditors are trained and qualified to thoroughly conduct audits that identify risks and unethical behavior, including a supplier’s use of illegal employee practices.

Training for John Deere employees and leaders:

- Annually, all John Deere salaried employees are required to review our [Business Conduct Guidelines](#) and certify they comply with them. The guidelines state the company’s commitment to human rights, including that company, employees, representatives, licensees and agents are “expected to not use any form of forced or indentured labor or child labor in the production or manufacture of goods.”
- Salaried employees receive training on the Business Conduct Guidelines every two years. Additional training courses focus on individual pieces of the guidelines as needed.
- Supplier code of conduct training is available for all employees. In 2012, this training will be mandatory for all Supply Management & Logistics employees.
- During 2012, all Supply Management employees and salaried employees with managerial responsibilities will be required to complete web-based training on the topic of eliminating forced labor, slavery, and human trafficking from the supply chain.

Internal accountability and controls:

Any John Deere employee, supplier or concerned individual can anonymously report a potential ethical violation, including human trafficking by a John Deere supplier, through any of the following methods:

- Compliance hot line: 1-800-933-3731
- Compliance mailbox: 90SMCompliance@JohnDeere.com
- By mail

Compliance Hotline Committee
 Post Office Box 1192
 Moline, Illinois 61266-1192

All allegations are thoroughly investigated by an internal team that includes Supply Management representatives. Allegations that are found to be credible are dealt with as appropriate. Suppliers who are found in violation of the Supplier Code of Conduct may be eliminated from our supply base.