

# Modern Slavery Statement



JOHN DEERE

## Introduction and Identification of Reporting Entities

This Modern Slavery Statement is prepared in accordance with the *Modern Slavery Act 2018* (Cth) (**Act**) and is intended to comply with the requirements of the Act in relation to the operations of Chamberlain Holdings Limited (**CHL**) and its wholly owned subsidiaries John Deere Limited (**JDL**) and Wirtgen Australia Pty Ltd (**WAPL**), which are referred to in this statement as the '**Deere Group**'.

## Organizational Structure

As noted above, JDL and WAPL are wholly owned subsidiaries of CHL. CHL is a holding company which is ultimately a wholly owned subsidiary of Deere & Company (**Deere**), the ultimate parent company of the Deere Group.

Deere is incorporated in the USA, listed on the New York Stock Exchange and has its headquarters in Moline, Illinois, USA.

WAPL was acquired by Deere in 2017 as part of its acquisition of the Wirtgen Group, which was a German based manufacturer and distributor of construction equipment worldwide.

Collectively, CHL, JDL and WAPL are referred to as the "**Deere Group**" in this statement (although it should be noted that there are other subsidiaries of Deere & Company which operate in jurisdictions other than Australia which are not included in this definition).

There is a further Deere subsidiary incorporated in Australia, being John Deere Financial Limited (**JDF**), which is controlled by a different intermediate subsidiary of Deere, but is also ultimately a wholly owned subsidiary of Deere. JDF's consolidated revenue for the relevant period was less than \$100 million and this statement does not apply to its operations as it is not a reporting entity and not part of the CHL group of companies.

## Deere's Business and Operations

Globally, Deere manufactures and distributes (either via its dealer network or directly) agricultural, construction, forestry and related machinery. It also provides precision agricultural services and operates a finance business in various jurisdictions globally under the 'John Deere Financial' brand.

In Australia, JDL and WAPL import and distributes products, parts and accessories manufactured by Deere and its subsidiaries overseas. CHL is a holding company which does not import or distribute products or interact with dealers or retail customers.

JDL does this by way of its authorized dealer network and WAPL sells 'Wirtgen', 'Vogele', 'Benninghoven', 'Kleemann', 'Streumaster', 'Hamm', 'Ciber', 'Betek' and other Wirtgen Group branded products directly to customers. JDF provides retail finance to customers wishing to purchase Deere products and wholesale finance to the Deere dealer network in Australia and New Zealand.

## **Deere's Supply Chain**

The Deere Group are importers and distributors in Australia of a wide range of products, parts and accessories.

These products, parts and accessories are primarily imported by JDL and WAPL from other Deere subsidiaries around the world and then:

- in the case of JDL, sold to authorized John Deere dealers for sale by those dealers to retail customers who are typically located in Australia; and
- in the case of WAPL, sold directly by WAPL to retail customers who are typically located in Australia (i.e. WAPL products are not sold by way of a dealer network).

Complete products sold in Australia are manufactured by Deere and its subsidiaries in factories located in the USA, Germany, India, Brazil and China.

Deere and its subsidiaries acquire component parts (such as steel, plastic, rubber and other raw materials) from sources throughout the globe that have typically been audited through Deere's Supplier Add Process which aims to minimize the risks of human rights breaches in the supply chain by ensuring that all Deere suppliers comply with all relevant Deere policies and controls as outlined in more detail below.

Currently, the supply chain for WAPL (and other former Wirtgen Group companies) is separate to those suppliers to other Deere companies and subject to a parallel supplier identification and verification processes, as the integration of the Wirtgen Group supply chain into the broader Deere supply chain has not yet completed.

In addition to the import and distribution of parts and complete goods, the Deere Group also acquired a range of services in carrying out its local operations. The services acquired include IT services, postage and delivery services, advertising and marketing support and professional services (accounting and tax advice, legal services and other professional support). These were primarily acquired from suppliers in Australia and New Zealand and the risks of any modern slavery occurring in the supply chain relating to the provision of these services is considered to be low.

## **Assessment of Potential Risks in Deere's Supply Chain**

The risk of modern slavery in the local operations of the Deere Group in Australia (i.e. the supply of whole goods and parts to its local dealer network, the provision of marketing and other customer support services and the services acquired from local suppliers as described above) is low. The Deere Group operates in a visible and well-regulated market sector in Australia and works with reputable, well managed organizations in the conduct of its operations.

The Deere Group in Australia relies on the risk management strategies and controls of its parent to assess and manage the risks of modern slavery in the overseas

supply chain. Based on this strategy, the risk assessment process and Deere's overall assessment of the potential risks of modern slavery in its supply chain is as set out below.

Deere has instituted a structured risk management approach to facilitate its strategic business objectives. To that end, Deere identifies and categorizes supply chain risks and escalates them internally as needed.

Deere's internal risk management structure is administered by a Management Risk Committee consisting of the CEO and his direct reports. This committee provides periodic reports to Deere's Board of Directors regarding Deere's risk management processes and reviews with the Board high-priority areas of enterprise risk.

In addition to a formal Enterprise Risk Management process as noted above, Deere's Global Law Services Group created a Human Rights Community of Practice in 2020. This group, made up of senior staff across diverse regions, functions and business units including legal, public affairs, compliance, supply management and sustainability, meets quarterly to monitor and assess legislative proposals, regulatory updates, voluntary reporting structures, and social trends in the area of human rights including modern slavery. This group serves as a cross-functional team to ensure that Deere is implementing global best practices in its assessment and management of the risks of modern slavery in the supply chain.

Deere has identified the following potential focal risk areas for Modern Slavery in its supply chain:

- Deere operates in, and sources materials from, a global supply base covering -countries that may have different laws, regulations, and labor conditions;
- Deere sources materials from a large and diverse supplier base;
- Only a small percentage of materials that Deere sources globally are subject to legally required regulatory tracing and reporting mechanisms, such as is the case with conflict minerals.

While the above risk areas do exist and are inherent to the nature of Deere's supply chain, Deere considers that globally the risk of modern slavery existing in its supply chain is low.

While it is not considered a material risk factor for Modern Slavery, the supply chain for the former Wirtgen Group companies operates in parallel to the supply chain for the broader Deere group and has different processes and procedures which do not necessarily have the same level of controls as for the broader Deere Group. The harmonization of these practices with the broader Deere Group practices is an ongoing project and commentary is set out below where there are specific differences in practice.

Organizationally, Deere is committed to eliminating the risks of modern slavery in its supply chain and it has put in place a number of enterprise level controls to mitigate the risks of modern slavery occurring or other human rights violations occurring in its supply chain. The actions taken to avoid modern slavery in Deere's supply chain (as described below) are robust and implemented across Deere's global operations.

## Actions taken to avoid Modern Slavery

Deere is committed to eliminating the risks of modern slavery in its supply chain. Deere takes the following specific actions to assess and address those risks (although, as noted below, not all these actions are yet undertaken at all levels of the former Wirtgen Group supply chain, which is still integrating its practices with those of the global Deere supply chain):

- All suppliers that want to enter Deere's supply base (including those to former Wirtgen Group companies) must certify through Deere's Supplier Code of Conduct that:
  - o They will comply with laws governing labor and will not use forced, involuntary, or slave labor, or engage in human trafficking.
  - o They will not purchase materials or services from entities that use forced, involuntary, or slave labor
  - o Materials included in their products comply with labor and modern slavery laws of the countries where they do business.
- Deere employees regularly discuss the Supplier Code of Conduct with suppliers during supplier conferences, meetings, and performance reviews.
- The majority of Deere's standard contract templates contain language incorporating the Supplier Code of Conduct and requiring compliance with that code as a condition of the contract.
- Deere's purchasing terms and conditions, which apply to the majority of purchases made by the Deere Group globally are available on the John Deere Supply Network and require that the "Seller shall comply with the John Deere Supplier Code of Conduct".
- Deere uses Ecovadis, a global leader in corporate social responsibility ratings, to assess key suppliers in Deere's supply chain (this does not occur for suppliers in the former Wirtgen Group supply chain). The Ecovadis sustainability scorecard provides an assessment of suppliers in many areas, including labor and human rights. This process requires suppliers to explain and document in order to achieve a favorable score and allows Deere to follow up with suppliers on necessary action items. The scorecard covers child labor, slavery, human trafficking, and human rights more generally. Deere uses the results of these assessments in our procurement processes and sourcing decisions.
- Deere conducts periodic audits of its suppliers to identify certain risks and unethical behavior. These can include labor, safety and human rights-related topics.
- Deere has implemented an employee Code of Business Conduct and Dealer Code of Conduct that require compliance with labor and modern slavery rules and regulations, which applies throughout the Deere Group globally.
- Deere works with its supplier-related employees to ensure they can be the "eyes and ears" of Deere to look for labor and human rights-related issues.

- As stated above, Deere uses an Enterprise Risk Management process to identify, categorize, and escalate risks, including those relating to labor and human rights. The former Wirtgen Group companies have a similar but separate supplier risk management process and analysis is underway to seek to bring these processes into line with those of the broader Deere Group.

## **Deere's Commitment to Human Rights in its business practices**

Deere is known for its commitment to social responsibility, both as an employer and in how we conduct our business. Deere regularly appears in the Ethisphere Institute's list of the World's Most Ethical Companies.

As a responsible corporate citizen, 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.

On a global basis, Deere is subject to, and complies with, a number of legislative regimes requiring companies to analyze the risk of the presence of modern slavery in their supply chains and to make disclosures regarding their efforts to ensure that their supply chains are free from slavery and human trafficking. Examples of these laws in jurisdictions other than Australia include the California Transparency in Supply Chains Act and the U.K. Modern Slavery Act.

## **Assessment of the Effectiveness of Controls**

Deere continually assesses the effectiveness of the above controls to prevent modern slavery, forced labor or other material supply chain issues.

These assessments involve Deere supply management, compliance, legal, and other personnel.

Based on these assessments, Deere considers that its controls are generally effective and appropriate to address Deere's risks globally and for its operations in Australia.

Deere considers that, although the former Wirtgen Group companies have not yet implemented the full suite of Deere supplier management controls, to the extent that the processes are not homogenized, the parallel controls which exist in the Wirtgen supply chain remain effective and appropriate for these purposes.

Deere is committed to continual improvement of its practices and to ensuring that it eliminates the risk of modern slavery in its supply chain. To this end, Deere has identified a number of future steps which it proposes to take to continue to develop its framework for identifying and managing the risks of modern slavery in its supply chain, which are set out below under the heading 'Future Steps'.

## Reporting and Whistleblower Policy

Any behavior that conflicts with Deere's Code of Business Conduct or Deere's Supplier Code of Conduct may be reported confidentially (and anonymously, where allowed by law) to a manager, supply management representative, or through the John Deere Compliance Hotline available online at <https://johndeere.ethicspoint.com>. The John Deere Compliance Hotline is available 24 hours a day, seven days a week.

Allegations are thoroughly reviewed or investigated by an internal team that includes Supply Management representatives. Allegations found to be credible are dealt with as appropriate. Suppliers that are found in violation of the Supplier Code of Conduct may be eliminated from Deere's supply base.

In addition to its global reporting policies and procedures, the Deere Group has an Australian whistleblower policy which complies with the requirements of the *Corporations Act 2001 (Cth)* and which allows employees, directors and other third parties of the Deere Group to raise compliance concerns.

### Training for Deere Employees and Leaders:

- Annually, all Deere salaried employees are required to review Deere's Code of Business Conduct and certify that they comply with it.
- The Code of Business Conduct sets forth the company's commitment to human rights with all of its business partners, including that the company does not use or condone the use of any form of forced or indentured labor or human trafficking in the supply chain, manufacturing, or distribution of our products. The Code of Business Conduct makes clear that the company complies with child labor laws, expects others to do the same, and will consider the compliance with such laws in its selection of suppliers.
- Salaried employees regularly receive training on the Code of Business Conduct. Additional training courses focus on individual sections of the Code as needed. New John Deere employees are assigned the Code of Business Conduct training immediately upon joining the company.
- Supplier Code of Conduct training is also available to all employees. This training is mandatory for the majority of John Deere's Supply Management & Logistics employees and covers various topics, including human trafficking.

## Consultation with Other Entities

In preparing this Statement, the Deere Group in Australia carried out the following consultations with entities in the broader John Deere group globally and with each of the reporting entities subject to this statement:

- review of the human rights practices of the John Deere Group by way of consultation with the Global Human Rights Community of Practice;
- consultation with key members of the supply chain teams globally to ensure accuracy of all statements relating to the Deere supply chains in countries other than Australia;
- review and discussion with the compliance team responsible for the Wirtgen Group's supply management framework; and
- liaison with relevant stakeholders to ensure accuracy of all disclosures contained in this statement relating to the assessment and risks of modern slavery.

## Future Steps

Globally, Deere is committed to taking proactive steps to eliminate the risk of slavery or forced labor in its supply chain. To this effect, it has to date:

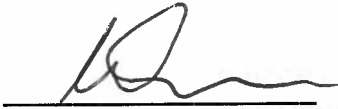
- Continued Deere's assessment of supply chain-related risks, including those related to labor and modern slavery. This includes assessment of inclusion of these areas in Deere's sustainability goals.
- Recently revised Deere's Supplier Code of Conduct to include more specific labor and modern slavery-related requirements and commitments.
- Implemented a new Dealer Code of Conduct that requires compliance with labor and modern slavery rules and regulations.
- Participated in a number of sustainability reporting and ranking processes with external parties to demonstrate Deere's commitment to compliance in this area.
- Formed a diverse, inter-disciplinary group within Deere that assesses and evaluates Deere's risks and processes in the area of human rights, including labor and modern slavery.

Its intent in the next reporting year will be to continue to drive these initiatives and to ensure that they are implemented as core components of the controls to ensure that the risks of modern slavery or forced labor in its supply chain is eliminated. Deere will also continue to work with the former Wirtgen Group to increase the alignment of its supply management practices with those of the broader Deere group globally.

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## Approval and Date

Approved by the board of directors of Chamberlain Holdings Limited.



Luke Chandler, Managing Director

Date: 27 April 2022