



JOHN DEERE

2023 BUSINESS IMPACT REPORT

SUPPLEMENTAL CONTENT

ENVIRONMENTAL MANAGEMENT

Our guidance for John Deere facilities utilizes the ISO 14001:2015 certified environmental management system (EMS) to enhance environmental performance, fulfill compliance obligations, and achieve environmental objectives.

The expectation for certification is based on the level of risk of each facility. We determine risk factors based on the size and complexity of the operation, as well as the depth of legal requirements each facility manages.

Currently, 53 of our manufacturing sites are certified to the ISO 14001:2015 EMS to manage the environmental aspects in our facility operations. These standards are then used to drive continuous improvement. And any new acquisitions develop integration plans to implement an EMS and be certified to the ISO standard.

In addition, our [Global Environmental, Health, and Safety](#) policy outlines the expectations necessary to deliver on our commitment to sustainable outcomes and the key responsibilities of employees across all levels of the organization. Employees receive environmental training based on these key responsibilities at their home facilities.

Facilities have established waste management programs that provide guidance for complying with those requirements while increasing recycling and reducing waste. Once waste and recyclables are separated, our facilities work with approved suppliers to ensure they are recycled or reused. We have processes in place to monitor our suppliers, ensuring that we know where our waste and recyclables are ending up. Additionally, we encourage activities such as using returnable containers, thus mitigating further waste. For more information on our 2030 Leap Ambition and strategy to reduce waste intensity by 15% see the [2023 Business Impact Report](#).

Finally, our water-scarce locations and other manufacturing operations across Deere have implemented water management strategies as well. These strategies focus on increasing employee awareness of water use, reviewing current processes, and identifying efficiency opportunities. For more information on our 2030 Leap Ambition to reduce freshwater consumption intensity by 10% at water-stressed manufacturing locations, see the [2023 Business Impact Report](#).

PRODUCT QUALITY, DURABILITY, AND RELIABILITY

At John Deere, we understand how product quality directly impacts customer experience. That's why our four-part focus on quality spans the life of each product.

PRODUCT DEVELOPMENT

During product development, quality processes include significant reliability and durability testing, validation of new parts and procedures, and tracking, to help ensure products are ready for our customers at launch. Cross-functional teams, both internal disciplines and critical suppliers, track results, adjust as needed, and manage programs to meet customer expectations throughout the product lifecycle.

MANUFACTURING

Quality processes, audit checks, and automated controls are built into each station of operation. Teams validate and audit the final product using a customer-focused machine runoff, a final set of inspections, and smart testing tools, helping them proactively find and address product issues prior to shipment.

PROBLEM RESOLUTION

When we identify problems or issues, we work to address them quickly and completely, following a rigorous problem-resolution process. We work to find the root cause, validate solutions, and employ preventive actions. Virtual validation and lab analysis tools help us quickly find solutions and make

improvements. Access to performance data from connected machines, as well as from those at our production facilities, helps us rapidly identify and resolve customer problems.

CUSTOMER SATISFACTION

Leveraging customer insights and experiences helps us deliver Distinctive Product Quality in both our products and our total technology-enabled solutions. We work to track performance of all products in relation to our quality goals.

DIGITAL STRATEGY

We believe our goal of onboarding 1.5 million connected machines by 2026 will strengthen John Deere Distinctive Product Quality development. We'll be better able to unlock the cause and effect behind failures. John Deere will leverage advanced telematic data from a machine to develop proactive insights and alerts to help improve uptime. By developing a "digital twin" strategy, John Deere will track parts through manufacturing, testing, and equipment operation. By using intelligent measurement tools coupled with advanced analytics, Deere will be able to identify markers that could indicate a potential problem and take preventive action before it impacts the customer.

PRODUCT SAFETY

SAFE PRODUCTS HELP KEEP CUSTOMERS SAFE

Our product safety department works with factory product safety committees during product development to help ensure our general rule for product safety is followed. This rule defines that an acceptable design must not present an unreasonable risk of injury to a product user or others nearby. In applying this rule, we consider the people, environmental conditions, and other products likely to be involved.

Beyond this rule, we strive to meet or exceed the intent of standards published by the International Organization for Standardization (ISO), the American National Standards Institute (ANSI), the American Society of Agricultural and Biological Engineers (ASABE), and others.

We have IT applications utilized to collect suppliers' part-level chemical compliance information related to the European Union's Registration, Evaluation, Authorization, and Restriction of Chemicals Regulations (EU REACH), California Proposition 65, and the European Union's Restriction of Hazardous Substances Directive (EU RoHS).

We develop and use product repair and recall processes, which include specific activities and procedures for product recall reporting and notification. Consumer product recalls are posted on the John Deere website and the website of the appropriate government agency.

Our incident reporting system collects incident information involving Deere equipment from numerous sources, including our dealers, the customer call center, and public information. Incident reports are forwarded to the corporate product safety department and entered into a central repository. A formal report of the incident is sent to the factory and marketing groups responsible for the product, where it is reviewed by the factory product safety committee.

Safety information appears in pre-delivery instructions, operator's and technical manuals, and other service publications according to the activities to which they apply. In addition, safety instructions in the form of safety signs are affixed to the product to appropriately warn an operator of potential hazards.

SUSTAINABILITY PRIORITIES AND REPORTING STRATEGY

The foundation of John Deere's sustainability strategy is a multipronged engagement strategy to continually evaluate and identify our highest-priority sustainability topics. Deere completed a formal sustainability materiality assessment in 2021.¹ The company utilized that assessment in numerous ways. Our highest-priority topics served as the focus areas for the Leap Ambitions, released in February 2022. As seen in the Business Impact Report, the highest-priority topics and Leap Ambitions guided our approach to sustainability reporting. And we utilize these topics to align with our internal Enterprise Risk Management process.

To proactively monitor and assess our topics on a continual basis, we engage with stakeholders that rely on Deere to deliver economic and sustainable outcomes, including our shareholders. During 2023, we invited shareholders representing more than 40% of outstanding share ownership to engage in conversations on a variety of topics. Of those we contacted, shareholders representing approximately 30% of outstanding share ownership participated in meetings and offered us valuable insights. A key focal point of our focused outreach this year was Deere's Leap Ambitions.

In response to the feedback and the evolving regulatory landscape, some of the actions included:

- Incorporated progress charts on the Leap Ambitions.
- Integrated FY2023 business results and Sustainability Report.
- Expanded detail on our path to achieve Scope 3 Category downstream greenhouse gas emission target.
- Highlighted our engagement with our supply chain on sustainability and human rights risk assessments.
- Incorporated details around our strategy for building our talent pipeline
- Expanded strategy disclosure within TCFD in preparation for our FY24 Climate disclosures in the form of a Climate Transition plan.

We continually monitor and review developing sustainability frameworks, standards, and global regulations by incorporating those we deem most applicable to our business into our reporting. This year's reporting continues to align with the material issues identified by the Sustainability Accounting Standards Board (SASB) for the Industrial Goods and Machinery industry. We also continue to include a report in line with the Task Force on Climate-related Financial Disclosures (TCFD). Appendices connecting our disclosures to the priorities set by the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (UN SDGs) are also provided. Deere continues its reporting to the Carbon Disclosure Project (CDP) on an annual basis.

In light of the dynamic regulatory environment around sustainability and climate change, including the Securities and Exchange Commission (SEC)-proposed climate disclosures and the European Union's Corporate Sustainability Reporting Directive (CSRD), this year we also updated processes and aligned resources to prepare to meet the requirements of future regulation.

¹ In this report, we are not using such terms "material" or "materiality" as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for the purposes of this document should not, therefore, be read as equating to any use of the word in other Deere reporting or filings, including those filed with the U.S. Securities and Exchange Commission (SEC).

HIGHEST-PRIORITY TOPICS

ENVIRONMENTAL

Climate Stewardship
Emissions & Energy
Harmful & Hazardous Chemicals & Substances
Land, Habitat, & Forest Conservation
Recyclability & Product Lifecycle Impacts
Soil Health
Sustainable Food & Agriculture
Waste
Water Quality & Availability

SOCIAL

Diversity, Equity, & Inclusion
Employee Health, Safety, & Wellness

GOVERNANCE

New Technologies & Innovations
Urbanization & Sustainable Infrastructure

TOPICS FOR ACTIVE MANAGEMENT AND MONITORING

SOCIAL

Dealership Talent
Product Quality, Durability, & Reliability
Product Safety & Health
Talent Attraction, Engagement, & Retention
Traceability, Nutrition, & Sustainable Diets
User/Customer Experience & Satisfaction

GOVERNANCE

Data Privacy & Product Security
Geopolitical Events
Human Rights & Labor Relations
Intellectual Property (IP)
Market Access & Trade Barriers
Political Participation & Advocacy
Responsible Supply Base & Sourcing

POLITICAL CONTRIBUTIONS

U.S. POLITICAL CONTRIBUTIONS

In compliance with U.S. federal and state election laws, John Deere administers the John Deere Political Action Committee (JDPAC), a voluntary, nonpartisan initiative for eligible U.S. employees. JDPAC members voluntarily pool their personal financial contributions to support candidates for U.S. federal and state office who understand and support the business interests of our company, customers, employees, and stakeholders. Under federal law and company policy, participation in JDPAC is limited to eligible, salaried U.S. employees.

Except for administrative expenses, JDPAC is funded solely by the voluntary contributions of John Deere employees and receives no funds from John Deere itself. The company does not reimburse employees directly or indirectly for political contributions, including contributions to JDPAC. Oversight of JDPAC's contributions and related activities is governed by a board of directors, comprised of 13 John Deere employees from throughout our various business units and management levels. JDPAC does not take positions on legislative matters or engage in lobbying activity. Further, JDPAC does not seek to influence any specific vote or decision through contributions.

As required by law, JDPAC fully discloses all contributions made and received through reports filed with the U.S. Federal Election Commission and various state ethics commissions. For further transparency, John Deere also posts an annual report on our website summarizing JDPAC contributions made in the most recent calendar year or election cycle, categorized by state, candidate, and amount. To view the annual report for the 2021-2022 election cycle, [please click here](#).

John Deere complies with federal, state, and local campaign finance laws and regulations governing corporate political contributions and the disclosure of these contributions.

Consistent with U.S. federal law, John Deere does not contribute any corporate funds to federal candidates, national political party committees, or other federal political committees. For example, even when permitted by applicable law in connection with certain state and local elections, we do not use corporate assets to support or oppose any candidate for political office or ballot measure. The company does, however, reserve the right to make exceptions to this practice so long as the corporate contribution is allowable under applicable law, is consistent with our public policy agenda, is in accordance with our Code of Business Conduct, and receives prior approval by our relevant leadership.

John Deere does not pay for any independent expenditures that are intended to influence elections, as this term is defined by applicable law. Moreover, John Deere did not make any such political expenditures out of corporate assets in the 2022 and 2023 calendar years.

In the interest of transparency for our shareholders and other stakeholders, we publicly disclose and annually update our corporate contributions to trade associations for advocacy purposes. John Deere belongs to several trade and industry associations and pays annual dues to these groups. We participate in trade associations in part to join other like-minded companies in engaging in public education and advocacy efforts regarding major issues of common concern to our industries.

Our participation in trade associations is subject to management approval and oversight. We publicly disclose and annually update a list of those U.S. trade associations to which John Deere pays dues or makes other contributions of \$50,000 USD or more, as well as the portions of such dues or payments that are not deductible under Section 162(e)(1) of the Internal Revenue Code. To view the 2023 report for U.S. trade association memberships and expenditures, [please click here](#).