

2023 Annual Report



Fighting Against Forced Labour and Child Labour in Supply Chains Act

This report is prepared in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for the financial year starting October 31, 2022 and ending October 29, 2023 on behalf of A & I Products Canada Inc. (“A & I”).

Structure, Activities and Supply Chains

A & I is a corporation under the *Business Corporations Act*, Ontario. A & I is a wholly owned subsidiary of ATI Products, Inc. which is a wholly owned subsidiary of Deere & Company (“Deere”).

Deere is incorporated under the laws of Delaware, listed on the New York Stock Exchange, and has its headquarters in Moline, Illinois, USA. 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 captive finance business in various jurisdictions globally under the ‘John Deere Financial’ brand.

In Canada, A & I manufactures aftermarket replacement parts for the agricultural, turf, and industrial equipment markets at its factory in Altona, Manitoba. A & I also imports products from ATI Products, Inc. Products manufactured and imported by A & I are distributed within Canada to its authorized resellers in Canada and are also exported to ATI Products, Inc. in the United States for distribution in the United States and globally.

Deere and its subsidiaries, including A & I, acquired 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.

A & I also acquired component parts and raw materials directly from suppliers, within and outside of Canada, who are subject to the A & I Products Supplier Code of Conduct which aims to minimize the risks of human rights breaches in the supply chain.

A & I also acquired a range of services in carrying out its operations in Canada. 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) (“**Acquired Services**”).

Policies and Due Diligence Processes

Deere has implemented policies and due diligence processes in relation to forced labour and child labour that apply throughout the company globally, including to A & I.

Code of Business Conduct

The Code of Business Conduct provides specific guidance to all employees. The Code of Business Conduct outlines how employees must conduct business in accordance with the highest ethical standards and in accordance with law and policy. This code is available on Deere's website under "Governance" (<https://investor.deere.com/governance/>).

The Code of Business Conduct sets forth Deere's commitment to human rights with all 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.

A & I Products Supplier Code of Conduct

The A & I Products Supplier Code of Conduct establishes clear guidelines for the standard of ethical behavior expected from suppliers to A & I. It prohibits suppliers from using child, forced, or involuntary labor. As new suppliers enter the A & I supply base, our standard practice is to require suppliers to review and acknowledge their agreement with the A & I Products Supplier Code of Conduct. The A & I Products Supplier Code of Conduct is available on A & I's website: [A&I Products: Supplier Code of Conduct \(aiproducts.com\)](https://aiproducts.com). In addition, the A & I Products Supplier Code of Conduct is periodically reviewed and updated as appropriate.

Statement on Support of Human Rights in Our Business Practices

Deere has issued a Statement on Support of Human Rights in Our Business Practices which applies throughout the Deere organization globally, including A & I. As a responsible corporate citizen, Deere strives to ensure that human rights are upheld for its employees and all workers in its supply chain. It strives to ensure that slavery and human trafficking are absent from its supply chain. This statement is available on Deere's website under "Governance" (<https://investor.deere.com/governance/>).

Global Reporting Policy

The Global Reporting Policy applies to everyone working for or on behalf of Deere and its subsidiaries, including A & I, and all employees and allows individuals to raise compliance concerns.

Any employee, supplier, or concerned individual can anonymously report a potential ethical, legal or policy violation (including forced labour or child labour), through the John Deere Compliance Hotline available online at <https://johndeere.ethicspoint.com>. Operated by an independent company, the hotline is available to receive confidential reports from anyone within or outside the company. To access country-specific hotline information, employees can view the posters on display at each company location or visit the John Deere intranet. The John Deere Compliance Hotline website is listed in the Code of Business Conduct and the A & I Products Supplier Code of Conduct. The John Deere Compliance Hotline is available 24 hours a day, seven days a week. The Global Reporting Policy strictly prohibits retaliation against any individual who reports or participates in investigations audit, or legal proceeding related to such matters.

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 A & I Products Supplier Code of Conduct may be eliminated from A & I's supply base.

Due Diligence

Deere and its subsidiaries, including A & I, are committed to eliminating the risks of forced labour and child labour in their supply chain. A & I takes the following specific actions to assess and address those risks:

- Deere implemented the above discussed Code of Business Conduct, which applies to A & I, and sets forth the company's commitment to human rights with all 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.
- A & I has implemented the above discussed A & I Products Supplier Code of Conduct which applies to suppliers globally and requires compliance with all labour laws and regulations and prohibits suppliers from using child, forced and involuntary labour.
- All suppliers who want to enter A & I's supply base must comply with the A & I Products Supplier Code of Conduct and agree that:
 - o They will comply with laws governing labour and will not use forced, involuntary, or child labour.
 - o They will not purchase materials or services from entities that use forced, involuntary, or child labour.
 - o Materials used in their products comply with labour laws and modern slavery laws of the countries in which they do business.
- A & I and Deere employees regularly discuss the A & I Products Supplier Code of Conduct with suppliers during supplier conferences, meetings, and performance reviews.
- The majority of A & I's standard contract templates contain language incorporating the A & I Products Supplier Code of Conduct and requiring compliance with that code as a condition of the contract.
- The A & I terms and conditions, which apply to the majority of purchases made by A & I, are available on A & I's website ([Terms and Conditions.pdf \(aiproducts.com\)](#)) and require that the seller shall comply with the A & I Products Supplier Code of Conduct.
- A & I conducts periodic audits of its suppliers to identify certain risks and unethical behavior. These can include labour, safety and human rights-related topics.
- A & I and Deere work with their supplier-related employees to ensure they know how to identify and report any labour and human rights related concerns and issues (Eyes and Ears Strategy).
- A & I and Deere use a structured risk management process to identify, categorize, and escalate risks, including those relating to labour and human rights. Analysis is underway to seek alignment of this process across the Deere organization globally.

Forced Labour And Child Labour Risks

The risk of forced labour or child labour in the local operations of A & I in Canada is considered low. A & I operates in visible and well-regulated market sectors in Canada and works with reputable, well managed organizations in the conduct of its operations. Acquired Services are primarily acquired from suppliers in Canada and the risks of any forced labour or child labour occurring in the supply chain relating to the provision of these Acquired Services is considered low.

A & I leverages the risk management strategies and controls of Deere to assess and manage the risks of forced labour or child labour in its overseas supply chain.

Deere has instituted a structured risk management approach to facilitate its strategic business objectives.

Deere's Global Law Services Group created a Human Rights Community of Practice in 2021. This group, composed 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 forced labour and child labour. 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 forced labour or child labour in the supply chain.

A & I has identified the following potential focal risk areas for forced labour or child labour in its supply chain:

- A & I sources materials from a global supply base covering countries that may have different laws, regulations, and labour conditions.
- A & I sources materials from a large and diverse supplier base.
- Only a small percentage of materials that A & I and Deere source globally are subject to legally required regulatory tracking and reporting mechanisms, such as is the case with conflict minerals.
- While the above risk areas exist and are inherent to the nature of A & I's supply chain, A & I considers that globally the risk of forced labour or child labour existing in its supply chain is low.

Organizationally, Deere is committed to eliminating the risks of human rights violations in its supply chain and has put in place several enterprise level controls to mitigate the risks of forced labour, child labour, or other human rights violations occurring in its supply chain. The actions taken to avoid forced labour or child labour in Deere's supply chain (as described above) are robust and implemented across Deere's global operations including A & I.

Remediation Measures

If A & I identifies human rights abuses (including forced labour or child labour) in its supply chain, it develops tailor-made action plans with the impacted suppliers. These action plans allow the suppliers to eliminate or minimize the occurrence of human rights violations and increase their awareness. As a last resort, A & I may place the supplier on hold or terminate the relationship when no improvement is made.

Remediation of Loss of Income

A & I has not identified that vulnerable families have experienced loss of income as a result of steps A & I has taken to eliminate forced labour or child labour risks and accordingly measures have not been taken in this area.

Training

All A & I employees are required to complete training on the Code of Business Conduct. In Canada (and elsewhere where permitted by law) employees are also required to regularly certify their compliance with the Code. Additional training courses focus on individual sections of the Code as needed. New employees are assigned the Code of Business Conduct training immediately upon joining the company. 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 labour 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 labour laws, expects others to do the same, and will consider the compliance with such laws in its selection of suppliers.

Supplier Code of Conduct training is also available to all employees. This training is mandatory for all Supply Management and Logistics employees and covers various topics, including human trafficking.

Assessing Effectiveness

A & I continually assesses the effectiveness of the above controls to prevent forced labour, child labour, and other human rights violations in its supply chain. These assessments involve A & I supply management, compliance, legal, and other personnel.

Based on these assessments, A & I considers that its controls are generally effective and appropriate to address A & I risks globally and for its operations in Canada. A & I is committed to continual improvement of its practices and to ensuring that it eliminates the risk of human rights violations, including forced labour or child labour in its supply chain.

The Deere organization, which includes A & I, 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, A & I 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, the Deere organization is subject to, and complies with several laws that require 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 Canada include: the California Transparency in Supply Chains Act, German Supply Chain Due Diligence Act, the U.K. Modern Slavery Act and the Australian Modern Slavery Act 2018.

Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

A & I Products Canada Inc.

Tommy Morgan

President

May 16, 2024

A handwritten signature in black ink, appearing to read "Tommy Morgan", written in a cursive style.

I have the authority to bind A & I Products
Canada Inc.