



Achieving Performance that Endures

The Deere & Company 2006 Global Citizenship Report reflects the commitment and efforts of our employees, dealers and suppliers around the world, who support our company's mission to distinctively serve customers – those linked to the land – through a great business. At John Deere, we are proud of the global role we play in feeding and clothing people, helping to develop renewable energy sources, building much-needed infrastructure, and beautifying homes, parks and public spaces.

We also are proud of the work our employees have done to support the company's success of the past few years:

- Customer focus, with rigorous attention to asset management, has helped us deliver record operating performance.
- Disciplined growth has extended our footprint into new markets and geographies.
- Aligned high-performance teamwork throughout the enterprise has focused our energies and added clarity of purpose.

To make sure that our work results in *performance that endures*, we integrate the needs of our customers, shareholders, employees, suppliers, dealers and communities. Our effort to satisfy these needs comprises our global citizenship. In other words, we provide products that are relevant to our customers and society at large. We create, distribute and service our offerings in ways that respect the earth's limited resources and the health and well-being of its inhabitants. We provide employees with safe and healthy workplaces and challenge them to develop to their full potential. We operate our facilities and processes in ways that protect the environment and make them valued assets for our communities.

This broad approach to citizenship, coupled with our market

leadership, helps us improve the world while growing a business as great as our products.

OUR VALUES

John Deere fully recognizes the need to conduct business with integrity wherever we do business. Without a doubt: How we get results is as important as the results we get.

We believe our independent board of directors (I am the only Deere & Company employee on the board) provides us a level of corporate governance that is best in class. Drawn from a range of industries and sectors, our directors provide helpful insight to the company and carefully promote and safeguard the interests of our shareholders. Likewise our business conduct guidelines for employees and suppliers worldwide hold every individual accountable for fair dealing, respecting others and obeying the law. Our independent board and our compliance guidelines have earned the company its standing on *Business Ethics* magazine's list of most ethical companies for the past seven years. Our long-standing values of integrity, quality, commitment and innovation are touchstones for our behaviors worldwide.

OUR STEWARDSHIP

John Deere aims its worldwide operations and processes at improving productivity while minimizing environmental impacts. For example, major investments in state-of-the-art facilities this past year in Waterloo, Iowa, Pune, India and Montenegro, Brazil, are helping us respond to variable market conditions while reducing waste and energy use. From our advanced paint systems to our remanufacturing processes, we manage and reclaim materials effectively.

We have invested in and continue to explore exciting alternative energy technologies, such as solar energy, to power some of our facilities. In the United States, the company is joining the Environmental Protection Agency's Climate Leaders and has become an early member of the United States Climate Action Partnership.

Vitally important, our factories provide remarkably safe environments – employees are the safest in the industry, and in fact, are safer at work than at home!

OUR PRODUCTS

John Deere invests approximately \$2 million a day in research and development – much of which is aimed at increasing productivity and reliability while enabling our customers to operate in safe and environmentally sound ways. For instance, we offer precision agricultural technologies to minimize input requirements for seed, fertilizer and pesticide. We have certified the

use of 5 percent biodiesel in most of our heavy equipment. Our U.S. EPA Tier 3-compliant diesel engines not only dramatically reduce emissions, they also have achieved improved fuel efficiency. Investments in water management technologies help farmers reduce water requirements and eliminate wasteful runoff. Practices such as no-tillage planting reduce wind and water erosion and the release of chemicals into the air.

OUR EMPLOYEES

Although it is my privilege to lead Deere & Company, it is the people who work here who make it the great company it is. John Deere employees have the opportunity to develop their own potential and contribute to the world through goods and services that benefit humankind. To achieve the company's aim of growing a business as great as our products, we depend on diverse employees around the world to develop innovative ways to meet customer needs.

Our ranking in both *FORTUNE* magazine's lists of America's and global "Most Admired" companies is attributable in great part to the talent, innovation and volunteerism of our 47,000 employees. For instance, it was a proud moment when our United Auto Workers Union employees in Dubuque, Iowa volunteered their time to build equipment needed by Hurricane Katrina victims.

OUR SUPPLIERS AND DEALERS

John Deere is proud of its diverse and high-quality worldwide supply base. All of our suppliers are expected to adhere to the company's Supplier Code of Conduct, which prohibits gift-giving or improper payments to secure business; prohibits engaging in or supporting child, involuntary or forced labor; and requires paying competitive wages. The company expects suppliers to support diversity and equal employment opportunity, as well as comply with environmental, health and safety regulations. They are also expected to be familiar with the business practices of their suppliers and ensure they operate within the guidelines of our Supplier Code of Conduct,

To our customers, the "face" of the company is the John Deere dealer. These independent business people and their employees personify our company in their own communities. Just as a diverse and inclusive employee base enriches John Deere, so does a dealer organization that mirrors the range of customers we serve worldwide. John Deere dealers are held to high ethical standards, consistent with the company's own code of conduct.

OUR PHILANTHROPY

John Deere has long supported its communities around the world. We do this through monetary contributions, in-kind

donations, sponsorships and memberships as well as through innumerable volunteer hours.

The primary giving arm is the John Deere Foundation, based in the United States, which donates between \$9 million and \$12 million annually. Its major areas of support include the Solutions to World Hunger initiative, arts and cultural programs, education, and economic development. In Canada, Europe, Latin America, Asia and Australia, smaller foundations and localized contribution programs have supported a wide range of organizations and projects that have lasting value for their communities.

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At John Deere, we believe *performance that endures* is possible because our corporate citizenship integrates the interests of shareholders, customers, employees, suppliers, dealers and communities. This approach to citizenship around the world helps us attract and retain the best talent, gives our customers reason to be loyal to our products and services, enriches our dealers and suppliers, supports the quality of life in the communities in which we live and work, helps protect the environment and preserve precious resources, and, ultimately, delivers a valuable return to our investors.

Please enjoy this Global Citizenship Report which, together with our annual report, demonstrates ways in which John Deere contributes to human flourishing.

Sincerely,

1 April 2007



Robert W. Lane
Chairman and Chief Executive Officer
Deere & Company