



# Ford Motor Company Global Modern Slavery and Human Trafficking Transparency Statement for the Financial Year Ending on December 31, 2019

This statement is made pursuant to applicable modern slavery and transparency acts reporting requirements, which require qualifying businesses to provide disclosures related to steps being taken to ensure that slavery and human trafficking are not taking place in our supply chains or any other part of our business.

This statement provides information required for these disclosures and provides guidance to other stakeholders of the Ford Motor Company, subsidiaries, and affiliates. Unless otherwise specified, reference to “Ford”, “we”, “us”, “Company” or “our” refer to Ford Motor Company, subsidiaries, and affiliates.

With about 190,000 employees worldwide, the Company designs, manufactures, markets, and services a full line of Ford cars, trucks, sport utility vehicles (“SUVs”), electrified vehicles, and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company LLC (“Ford Credit”), and is pursuing leadership positions in electrification; mobility solutions, including self-driving services; and connected vehicle services.

For further details on Ford Motor Company’s business operations, see the [annual report](#).

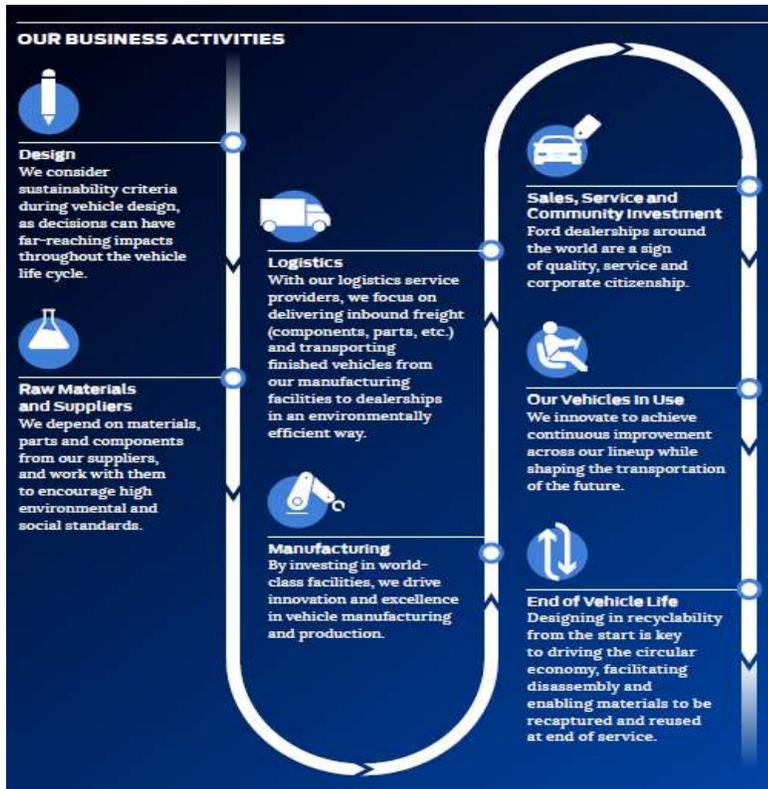


## Ford Motor Company Overview

The automotive supply chain is one of the most complicated of any industry. There are often six to ten levels of suppliers between an automaker and the source of raw materials that enter the manufacturing process.

Our products rely on the skills of thousands of employees, and the support of our supplier partners. Everything we make – or that others make for us – needs to be consistent with local laws, and our own commitment to protecting and upholding human rights.





The breadth, depth and interconnectedness of Ford Motor Company's supply chain can make it challenging to effectively manage business and sustainability issues. Respecting human rights and environmental issues in the supply chain is ultimately our suppliers' responsibility. In its procurement, however, Ford plays an active role in supplier development and has adopted various means to clearly communicate our expectations to our suppliers.

Ford supports the goals of laws to require transparency regarding business' efforts to deter forced labor, slavery and human trafficking in supply chains and in our own operations.

## Ford Motor Company Supply Chain Standards

In our standard procurement process, we issue purchase orders that incorporate our Global Terms and Conditions (GT&Cs). The GT&Cs are further supplemented by our web-guides, which expand on our expectations and suppliers' obligations on specific topics. For example, our Social Responsibility and Anti-Corruption Web-Guide outlines our prohibition of child labor, forced labor (including human trafficking), physical disciplinary abuse and any infraction of the law. Our Environmental Web-Guide sets out environmental requirements, including the elimination of materials of concern and increasing the use of sustainable materials whenever technically and economically feasible.

Internally, we have adopted [Policy Letter 24: Code of Human Rights, Basic Working Conditions and Corporate Responsibility](#) (Policy Letter 24), to address workplace issues such as working hours, child labor, forced labor, nondiscrimination, freedom of association, health and safety and the environment. This policy applies to our own operations, and we encourage businesses throughout our supply chain to adopt and enforce similar policies in their own operations. Furthermore, we seek to identify and do business with companies that have aligned standards consistent with Policy Letter 24, including working to cascade these expectations throughout their own supply chain.



## Supplier Certification

**Our GT&Cs forbid the use of forced labor, child labor and physically abusive disciplinary practices.** Ford requires suppliers to comply with applicable laws and the GT&Cs that govern the purchase of goods and services. We reserve the right to terminate our relationship with a supplier if issues of noncompliance with our policies are discovered and/or noncompliance is not addressed in a timely manner.

Ford engages with key suppliers through our Aligned Business Framework (ABF) program. Our ABF suppliers represent approximately 65% of our global production buy. The ABF program includes a three-stage process to address the management of sustainability issues, including human rights. First, 100% of current and newly nominated ABF suppliers have an aligned code of conduct to Ford's Policy Letter 24: Code of Human Rights, Basic Working Conditions and Corporate Responsibility. These suppliers then conduct internal training ensuring employees understand the code of conduct. Lastly, the supplier provides verification that code of conduct standards and expectations have been cascaded into their supply chain.

## Modern Slavery and Human Trafficking Policies

Our processes include actions to safeguard against human rights abuses including Modern Day Slavery. Modern Day Slavery can take many forms, including human trafficking, forced labor, or the worst forms of child labor. Ford's Policy Letter 24: Code of Human Rights, Basic Working Conditions and Corporate Responsibility, clearly states that we will not tolerate forced labor (including human trafficking) or child labor in our operations. We conduct internal assessments of our manufacturing locations to ensure compliance.

As a part of our policy requirements, Ford and our suppliers must comply with ethical recruitment principles. This includes prohibiting the use of misleading or fraudulent practices while offering employment, the use of recruitment fees, and the confiscating, destroying, concealing, and/or denying access to employee identity documents

## Accountability and Grievance Channels

**We maintain internal/external accountability, holding all Ford employees and suppliers accountable to the standards on human trafficking set out in GT&Cs, web guides, and Policy Letter 24.** Employees and suppliers have multiple avenues through which to register complaints or grievances, including those related to human rights and human trafficking. Some of these mechanisms allow for anonymous and confidential reporting. A dedicated email inbox and a company hotline are available. Ford Motor Company has developed The Right Way app, which is a free mobile app that is available in seven languages. The app is available to our employees, suppliers and other business partners to become more familiar with Ford ethical policies and practices. Within the app is the ability for individuals to report any suspected violations. Once a report comes in, it is reviewed, and an investigation is undertaken if warranted. The Company prohibits retaliating against anyone for making a good-faith complaint or for cooperating in a Company investigation of such complaints.



## Assessment of Risks, Due Diligence and Verification

**We performed a saliency assessment to identify for Ford Motor Company's the salient human rights issues.** Nine issues were identified in the assessment including responsible sourcing of materials, forced labor, and child labor. To address these identified issues, a committee has been created and actions plans to address the human rights items identified.

We review our salient issues annually and communicate our progress externally through channels including our Sustainability Report and the UN Guiding Principles Reporting Framework Index.

**We have conducted more than 40 human rights assessments, dating back to 2004, evaluating how our facilities around the world align with Policy Letter 24.** The reports of recent assessments are available in [Ford's annual Sustainability Report](#).

**We regularly assess risk related to human trafficking and forced labor associated**



**with our supply base.** Our preliminary assessment is based upon geographic risk profile, the commodity purchased, supplier quality performance, and the nature of the business transaction. Ford performs this risk assessment with input from external resources and stakeholders. By identifying and prioritizing the issues that can have the most impact on our business and we can better target our activities to promote human right and achieve greater results.

**We conduct Self-Assessment Questionnaires (SAQ) with Global Tier 1 suppliers.** The SAQ is based on Global Automotive Sustainability [Guiding Principles](#) and [Practical Guidance](#) which has been developed by a collective group of automotive OEMs. The SAQ is designed to assess the sustainability performance of automotive suppliers. There are four phases of the SAQ; Data Collection, Data Validation, Data Analysis, Performance Improvement. The SAQ is used to provide guidance to internal/external groups in determining future endeavors and a growing element of our due diligence efforts. The SAQ is managed through our partnership with Drive Sustainability. To see a sample of the SAQ, please go to <https://drivesustainability.org/>



## Supplier Audits

**We regularly conduct social responsibility audits of at-risk Tier 1 supplier factories.**

These audits evaluate supplier compliance with both local law and Ford's human rights expectations as communicated in Policy Letter 24 and our social responsibility web-guide. These audits are performed through the independent Responsible Business Alliance (RBA) [Validated Audit Process](#) and can be either announced or unannounced. The decisions about which facilities to audit are based upon our risk assessment. Audit results are used to identify and prioritize improvements for a particular supplier. Each supplier is expected to develop corrective action plans to address the identified areas of concern. In aggregate, we look at audit results to gain insight on areas where further training is required, either on a regional or a topic basis. The goal of our audit and training program is for continued supplier growth.

## Global Internal/External Training

**We conduct training and build capability both internally and with our suppliers.**

We regularly conduct internal training on our Policy Letter 24 and the supply chain sustainability program with our global purchasing staff. We also require suppliers in high-risk countries to attend training to raise awareness of Ford's requirements and legal obligations, including those related to forced labor and child labor. We along with collective group of automotive OEMs, jointly held training in Poland, South Africa, Brazil, and Malaysia that was based on the Automotive Industry Guiding Principles and Practical Guidance in 2019. This training is a key element of our due diligence process. The training was conducted through our partnership with Drive Sustainability. For further information about the industry training, please go to <https://drivesustainability.org/>. For further information on Ford supplier trainings, see [Ford's annual Sustainability Report](#).

**We conducted a forced labor training in Taiwan with our supplier partners.** Utilizing our partnership with the Responsible Labor Initiative (RLI), Ford developed supplier training to provide capacity building for our supply base in Taiwan. In particular, one focus of the session was on recruitments fees, which are prohibited by Ford, but legal in Taiwan. Attendees were provided insights into the warning signs of forced labor and the active role of suppliers in prevention and remediation. A total of 125 individuals representing 73 suppliers attended the eight-hour training.

**We continued our Driving a Better Tomorrow purchasing series to educate and inspire employees on supply chain sustainability hot topics, trends, and best practices.**

In 2019, over 400 Ford buyers participated in a live session on business ethics, responsible sourcing, and blockchain. Industry experts and NGO thought leaders shared how the Purchasing organization is impacted by these issues and how Purchasing can play a role in driving change.





## 2019 Audit Case Study

In Taiwan, we found recruitment fees were being charged at a supplier site to migrant employees. These fees are regulated by the government in Taiwan and can be legally charged to migrant workers. This however, is a violation of Ford's GTCs and the supplier was asked to remediate. The supplier reimbursed each worker for the fees charged by both the regional and sending brokers. Our team worked with the supplier to identify policies/procedures to prevent and remediate fees in the future. These policies were adapted by the supplier's global management team and were implemented at other facilities spreading the effect of the corrective action beyond Taiwan.

## Partnerships with External Organizations

**We are members of Responsible Business Alliance (RBA), a non-profit coalition of more than 140 companies from the electronic, retail, automobile and toy industries.** Ford was the first automotive company to join the RBA. The alliance's aim is to promote high standards in human rights, safety and security, environmental protection and business ethics. We are active members on multiple committees and a member of the Board of Directors.

**We are a member of the Automotive Industry Action Group (AIAG) Corporate Responsibility Steering Committee and the AIAG Board of Directors.** We also co-chair the AIAG's Supply Chain Sustainability Committee, which works to increase supplier capability for managing human rights and working conditions in the sector.

**We are members of Drive Sustainability (The Automotive Partnership: Drive Sustainability).** This partnership of 10 automotive OEMs has a commitment to move to the next level of sustainability and supply chain management in the automotive industry. The partnership, launched in 2017 and facilitated by CSR Europe, builds on the work of the European Automotive Working Group, of which Ford was an active participant

For more information on external organizations in which we participate see Appendix 1.

## Next Steps and Reporting on Key Performance Indicators (KPIs)

We continue to expand usage of the SAQ to additional suppliers and are looking at steps to improve sustainability into our sourcing processes.

In 2020, Ford will perform a reassessment our salient human rights issues and report the updates in our 2020 UN Guiding Principles Reporting Framework Index.



For further guidance on effectiveness of the program and KPIs, please [review Ford Motor Company's Sustainability Report](#) which is published yearly and provides further details on actions taken by Ford Motor Company.

This Global Modern Slavery and Human Trafficking Transparency statement has been reviewed and approved by the Board of Directors on March 11, 2020.

Signed:

A handwritten signature in black ink, which appears to be 'J. Hackett', is written over a solid black horizontal line.

James P. Hackett  
President and Chief Executive Officer  
Ford Motor Company

Date: 4/24/2020



Appendix 1:

Partners and Memberships	What the Partner Does
<a href="#">Automotive Industry Action Group (AIAG)</a>	By being both proactive and collaborative, AIAG brings members together to develop innovative solutions to these and other common Corporate Responsibility challenges, both national and international. AIAG develop the active insights, trainings and tools members need to operate responsibly and profitably
<a href="#">Drive Sustainability (DS)</a>	The Drive Sustainability partnership, facilitated by CSR Europe, shares the common goal of working together to improve the sustainability performance of automotive supply chains. Drive Sustainability considers that improvement and impact in the supply chain can be achieved by working with suppliers to build capability and empowerment. Under this framework, the partnership organizes different activities like supplier training series, dialogue event or local networks.
<a href="#">Interfaith Center Corporate Responsibility</a>	ICCR members represent faith-based organizations, socially responsible asset management companies, unions, foundations, and other responsible investors working alongside a global network of NGO and business partners. ICCR is committed to moving the current business focus away from achieving short-term returns and towards sustainable strategies that advance the common good.
<a href="#">Public-Private Alliance for Responsible Minerals Trade (PPA)</a>	The Public-Private Alliance for Responsible Minerals Trade (PPA) is a multi-sector initiative that supports projects in the Democratic Republic of the Congo (DRC) and the surrounding Great Lakes Region of Central Africa (GLR) to improve the due diligence and governance systems needed for ethical supply chains.
<a href="#">Responsible Business Alliance (RBA)</a>	A non-profit coalition of more than 140 companies from the electronic, retail, automobile and toy industries. The alliance's aim is to promote high standards in human rights, safety and security, environmental protection and business ethics.
<a href="#">Responsible Labor Initiative (RLI)</a>	Members, suppliers, recruitment partners and stakeholders use their collective influence and application of due diligence to drive the transformation of recruitment markets, reduce the risk of forced labor and provide remedy in global supply chains at all stages of recruitment and employment.
<a href="#">Responsible Mineral Initiative (RMI)</a>	RMI's flagship Responsible Minerals Assurance Process offers companies and their suppliers a third-party audit that determines which smelters and refiners have systems in place to source minerals responsibly in line with global standards. RMI also maintains the Conflict Minerals Reporting Template, a cross-industry tool for smelter disclosure. More than 380 organization from 10 industries participate in RMI today
<a href="#">UN Global Compact</a>	At the UN Global Compact, the UN aim to mobilize a global movement of sustainable companies and stakeholders to create the world we want. To make this happen, the UN Global Compact supports companies to: <ul style="list-style-type: none"> <li>• do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labor, environment and anti-corruption;</li> <li>• and take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.</li> </ul>