



# Ford Motor Company Global Modern Slavery and Human Trafficking Transparency Statement for the Financial Year Ending on December 31, 2020

This statement is made pursuant to reporting requirements of applicable modern slavery and transparency acts<sup>1</sup>, 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.<sup>2</sup>

As of December 31, 2020, we employ approximately 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 Ford’s 2021 [Integrated Sustainability and Financial 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

Operations	Production Suppliers	Indirect Suppliers
<b>\$89 billion</b> global spend on goods and services	<b>1200+</b> Tier 1 supplier companies	<b>13,000</b> supplier companies
<b>54</b> Ford-owned assembly and powertrain manufacturing sites*	<b>60+</b> countries	<b>600+</b> commodities
	<b>4,400</b> supplier sites	
	<b>100,000+</b> parts manufactured	
	<b>500+</b> commodities sourced	

\* Does not include unconsolidated joint ventures

make – or that others make for us – needs to be produced in a manner that is consistent with local laws and our own commitment to protecting and respecting human rights.

<sup>1</sup> Includes the Australia Modern Slavery Act, California Transparency in Supply Chains Act, and United Kingdom Modern Slavery Act

<sup>2</sup> Includes the Ford Motor Company of Australia Pty Ltd, Ford Technologies Limited, Ford Motor Company Limited, Ford Retail Limited, and Ford Credit Europe



## Our Enablers

### Human Capital

- 186,401 employees
- 10,717 dealerships
- 1,200+ Tier 1 suppliers
- 11 internal Employee Resource Groups
- Ford Culture Cabinet

### Social Capital

- Community engagement for 70+ years
- Partnerships with nonprofits and dealers in 50+ countries
- Strategic partnerships with investors, industry bodies and partner companies

### Financial Capital

- More than \$22 billion planned investment in electric vehicles (EVs) through 2025
- \$7 billion planned investment in self-driving technology through 2025
- Invested \$7.1 billion in EBIT and \$1.6 billion in cash effects in the period 2018-2020 related to our global redesign

### Manufactured Capital

- 54 manufacturing and assembly plants
- 8 regional engineering and R&D centers
- Product Development Center
- Modernizing EV production

### Intellectual Capital

- 3,782 global patents issued
- Connectivity and connected services
- FordPass™ network
- Global Data Insight and Analytics
- D-Ford human-centered design process

### Natural Capital

- 10.44 billion kWh of energy used
- 15.6 million m<sup>3</sup> of water used for manufacturing processes
- 12 renewable materials used
- Corktown Biomimicry Pilot project

## Our Business

### Our Purpose

To help build a better world, where every person is free to move and pursue their dreams.

### Our Plan

- Drive growth
- Improve execution
- Speed up transformation

### Our Aims

- Earn Trust
- Drive Progress
- Make Positive Impacts

### Our Governance

Solid governance structures and policies to manage sustainability across our business

### Design

We consider sustainability criteria to reduce our vehicles' impacts

### End of Vehicle Life

Over 85 percent of our vehicle parts and materials are recycled and reused

### Responsible Sourcing

We require suppliers to enforce environmental and social standards aligned with ours

### Mobility

We are exploring new solutions to support urban mobility

### Logistics (inbound)

We encourage our logistics providers to transport finished vehicles and parts efficiently

## Our Business Activities

### Our Vehicles in Use

We provide a safe and enjoyable experience with high-quality vehicles

### Manufacturing

We invest in lean process and world-class factories to create positive impact

### Sales and Service

We're reimagining customer experience by listening and adapting to their needs

### Logistics (outbound)

We encourage our logistics providers to transport finished vehicles and parts efficiently

## Our Positive Impact In 2020

### Employees

- Health and well-being programs for employees and families
- 98.2% gender ratio, 100.1% minority ratio
- Competitive salaries and benefits
- Employee training and development
- Safe, flexible and adaptable workplaces
- Culture of caring and belonging

### Customers

- 4.2 million wholesale vehicles sold
- Refreshed product portfolio
- Access to EV charging networks
- Exciting new telematics services
- Deferred payments program for customers
- Improved vehicle safety and driver assist technologies
- Increased access to mobility solutions

### Investors

- Strong balance sheet
- More transparent reporting for investors

### Suppliers

- Training to build capacity in supply chain
- \$11 billion spent with minority-, women- and veteran-owned companies and small businesses
- Sustainability best practices shared with suppliers through PACE programs
- Responsible sourcing of raw materials

### Communities and Society

- \$1.13 million raised for global COVID-19 relief by employee donation match program
- \$10 million invested in Detroit over four years
- SHE-MOVES grantees in Nigeria and South Africa
- 17 million volunteer hours since 2005
- PPE and medical equipment produced through Project Apollo

### Planet

- 40% reduction in our carbon footprint since 2011
- 75% absolute reduction in water use since 2000
- 103 true zero waste to landfill sites
- Fuel economy improvements
- Recycle millions of pounds of aluminum per month

Our value creation model has been developed in line with the International Integrated Reporting Council (IIRC) framework.

The breadth, depth and interconnectedness of Ford Motor Company's supply chain can make it challenging to effectively manage business and sustainability issues. We encourage businesses throughout our supply chain to adopt and enforce policies similar to Ford's in their own operations and to cascade these expectations throughout their own supply chain. Ford plays an active role in supplier development and has adopted various means to clearly communicate our expectations to our suppliers.

Our aspiration is to become the world's most trusted company and to source only raw materials that are responsibly produced. Our new global strategy, The Plan, looks to achieve sustained profitable growth while also caring for each other. In this pursuit, Ford supports the goals of laws which require transparency from business regarding efforts to deter forced labor, slavery and human trafficking in our operations and supply chain.

## Modern Slavery & Human Trafficking Policies

**Our commitment to protecting and respecting human rights is embodied in our Policy Letter 24: Code of Human Rights, Basic Working Conditions and Corporate Responsibility (Policy Letter 24),** which addresses key workplace issues commonly associated with modern slavery, including but not limited to child labor, forced labor, and freedom of association and collective bargaining rights (see Appendix A). This policy applies to all of Ford's global operations.

In support of our policy requirements regarding forced labor, Ford must comply with ethical recruitment principles. These include 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.

**Protecting rights to freedom of association and collective bargaining is also vital in preventing modern slavery and human trafficking in our workforce.** Ford works with approximately 41 different unions globally, representing approximately 79% of our global workforce. Substantially all of the hourly employees in our global Automotive operations are represented by unions and covered by collective bargaining agreements.

In addition, Ford has signed an [International Framework Agreement \(IFA\)](#) with IndustriALL Global Union that reiterates our commitments to our global labor community. The principles outlined in the IFA are based on highly respected labor standards supported by groups, institutions and documents, such as the UN Universal Declaration of Human Rights and the Global Sullivan Principles of Social Responsibility.

We ensure ongoing compliance with the IFA principles through open dialogue with our union partners. Where compliance issues are identified, we collaborate on solutions to critical issues as they arise. Ford hosts an annual Global Information Sharing Forum (GISF), attended by union leaders, senior leaders at Ford, and union representatives. Topics at the 2020 meeting included an overview of human rights policies and practices within Ford and the ethical sourcing of materials for electric vehicle battery production.

## Supplier Contracts & Policies

In addition to supporting human rights within our own operations, **we seek to identify and do business with companies that have standards aligned with Policy Letter 24 and that work to cascade these expectations throughout their own supply chains.** As a result, approximately 65% of our global production buy is contracted with key suppliers who have conducted a three-stage process to address the management of sustainability issues, including human rights. First, 100% of these suppliers have an aligned code of conduct to Ford's Policy Letter 24. Second, they conduct internal training ensuring employees understand their code of conduct. Lastly, these suppliers provide verification that their code of conduct standards and expectations have been cascaded into their supply chains.

In our standard procurement process, we issue purchase orders that incorporate **Ford's Global Terms and Conditions (GT&Cs) which forbid our suppliers from using 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's GT&Cs are further supplemented by our Social Responsibility and Anti-Corruption Web-Guide. The Web-Guide expands on our expectations and suppliers' obligations on specific topics, including the prohibition of child labor, forced labor (including human trafficking and physical disciplinary abuse), and any infraction of the law. The Web-Guide also outlines Ford's requirements regarding ethical recruitment, including the prohibition of recruitment fees, misleading or fraudulent practices while offering employment, and confiscating, destroying, concealing, and/or denying access to employee identity documents.



# Assessment of Risks, Due Diligence and Verification

**In 2020, we performed our second human rights saliency assessment to identify Ford Motor Company’s salient issues.** Conducted in line with the UN Guiding Principles Reporting Framework (UNGPRF), the saliency assessment identified and updated the human rights issues at risk of the most severe negative impacts through our activities and business relationships. In conducting the assessment, we consulted with global external subject matter experts in human rights, environment, and labor relations. The assessment identified 10 salient human rights issues, including child labor, forced labor and ethical recruiting, and human trafficking (see graphic). These apply throughout our business and extend to our partners and supply chain. We review these issues annually and communicate our progress externally through the pages of this report, as well as our UNGPRF Index.

**Our Salient Human Rights Issues**



Issue	UN SDGs††
1 Access to water and sanitation	6 12
2 Air quality	3 11 12
3 Child labor	8
4 Climate change	6 7 9 12 13
5 Data protection, privacy and security	9
6 Forced labor and ethical recruiting	8
7 Harassment and discrimination	5 10
8 Health, safety and security	3 8
9 Human trafficking	5 8
10 Product safety and quality	9

† In alphabetical order.

†† Other SDGs might apply; for full detail on our contribution, see our [SDGs Index](#).

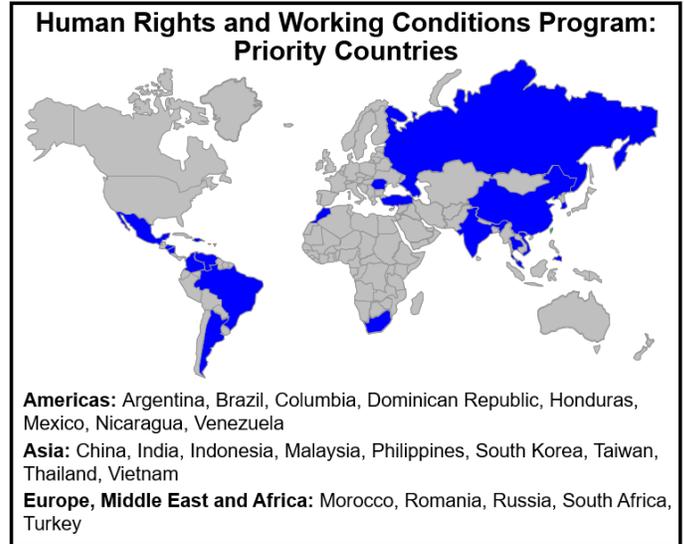
Ford’s cross-functional team manages and tracks our action plans to prevent, manage and remediate salient human rights issues. This process helps us track the effectiveness of our due diligence systems and performance and indicates opportunities to focus our efforts to address human rights issues, including those that affect how we source materials responsibly. We communicate our progress on our action plans to address our salient issues through our [Integrated Sustainability and Financial Report](#) and the [UN Guiding Principles Reporting Framework Index](#).

**We have conducted more than 55 human rights assessments in our global facilities since 2004, evaluating how they align with our Policy Letter 24.** In 2020, Ford piloted a new, more quantitative approach utilizing an established online third-party assessment tool from the [Responsible Business Alliance](#) (RBA) to assess human rights risks across global facilities in a consistent way. The RBA’s online assessment tool has been developed by human rights experts and provides a company the opportunity to identify areas within their facility that may be at more risk for human rights issues. An overview of the 2020 assessments is available for [download](#). Ford plans to continue utilization of RBA’s tool to best foster our processes to uphold human rights and to ensure all of Ford’s global facilities are regularly assessed for human rights risk.

**We conduct Self-Assessment Questionnaires (SAQ) with our global suppliers.** The [SAQ](#) is based on Global Automotive Sustainability [Guiding Principles](#) and [Practical Guidance](#) which have been developed by a collective group of global OEMs. A growing element in our due diligence efforts, the SAQ is used to assess supplier sustainability and support Ford in identifying social and environmental risks throughout our supply base. There are four phases of the SAQ: Data Collection, Data Validation, Data Analysis, Performance Improvement. We continue to expand usage of the SAQ to additional suppliers and are looking at steps to integrate sustainability assessments into our sourcing processes. The SAQ is managed through our partnership with Drive Sustainability.



**We conduct an annual risk assessment of our supply base related to human trafficking and forced labor.** The assessment is based upon multiple factors, including geographic risk profile, commodity purchased, supplier quality performance, SAQ results, and the nature of the business transaction. Ford performs this risk assessment with input from external resources and stakeholders. Our 2020 supplier risk assessment included data from suppliers representing over 85% of our production global spend and approximately 70% of our total global spend, including both production and indirect purchasing. The risk assessment supports our audit selection processes and provides key insights to improve our human rights program.



**We use standard costing in our cost estimation systems to support supplier sourcing decisions.** Based on our suppliers' pricing, if their quotation falls below our internal estimation of their costs, we may investigate to understand the cause and ensure the supplier pricing and cost structure, including labor, are sustainable. Historically, we have chosen not to source suppliers based on unrealistically low pricing/costing.

## Supplier Audits & Effectiveness

**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 and Anti-Corruption Web-Guide. These audits are performed through the independent [RBA Validated Assessment Program \(VAP v6.0\)](#). 100% of Ford's 2020 audits were externally validated and certified by the RBA. Ford's auditee list includes suppliers representing a broad range of commodity groupings from all regions of the world that were identified using our risk assessment process. Audits include worker interviews and can be either announced or unannounced.

Per the RBA VAP, our audits of suppliers evaluate for 43 Conformance Requirements, including the following:

- All work must be voluntary
- Workers must not be under the age of 15, or under the supplier policy minimum age, or under the minimum age for employment in the country, whichever of these is greatest
- Working hours do not exceed the maximum set by local law, and a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations
- Workers must be provided with understandable wage statements that include sufficient information to verify accurate compensation for work performed
- No harsh and inhumane treatment of workers
- No harassment of or discrimination against workers



- All workers have the right to form and join trade unions, to bargain collectively and to engage in peaceful assembly
- All required permits, licenses and test reports for occupational safety are in place
- Potential for worker exposure to health and safety hazards are controlled
- Process to cascade VAP code conformance requirements to company's own suppliers and to monitor their compliance to the code

Audit results are used to identify and prioritize needed improvements at the facility level. Each supplier is expected to develop Corrective Action Plans (CAPs) that detail causes and provide planned remediation actions to address identified areas of concern and take measures to correct non-conformances. For more serious priority non-conformances, we review and monitor immediate containment plans and longer-term CAPs. Closure audits are scheduled to assess the results of CAPs, following a timeline based on the priority of non-conformances reported.

The average of scores for all follow-up and final closure audits is double the average initial audit score, indicating the level of effort and progress achieved. We are also seeing a trend of increasing initial audit scores, demonstrating an increase in supplier capacity in recent years. This process reinforces our combined commitment to improving working conditions.

Ford publicly reports the findings of our supplier audits in aggregate, including the nature of non-conformances and remedial actions, in our [Integrated Sustainability and Financial Report](#), [Performance Data Report](#), and [UN Guiding Principles Reporting Framework Index \(C3.1\)](#). We analyze audit results to gain insight on areas where further supplier training is required. The goal of our audit and training program is for continued supplier capacity building.

## Accountability & Grievance Channels

**We maintain internal/external accountability, holding all Ford employees and suppliers accountable to the standards on human trafficking set out in Ford's Policy Letter 24, GT&Cs, and Supplier Web-Guides.** 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, including telephone hotlines, a dedicated email inbox, websites such as SpeakUp, and The Right Way app. The Right Way 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, individuals can report any suspected violations. Once a report comes in, it is reviewed, and an investigation is undertaken if warranted. Ford prohibits retaliation against anyone for making a good-faith complaint or for cooperating in a company investigation of such complaints.

Ford also directs its suppliers and other external stakeholders to the Responsible Minerals Initiative (RMI) [Minerals Grievance Platform](#) (MGP) to submit grievances related to mineral supply chains. The MGP is a public platform that screens and addresses grievances linked to smelters and refiners of numerous minerals. The MGP allows Ford to assess very high-risk smelters and refiners that have pending allegations and understand if risks identified with third-party validated smelters and refiners are properly resolved.



## Global Internal / External Training

### **We conduct human rights training and build capacity both internally and with our suppliers.**

Within the company, we regularly conduct internal training on our Policy Letter 24 and Supply Chain Sustainability program with our global purchasing staff. In 2020, over 200 Purchasing staff from Ford's South Africa, India, Thailand, China, and Australia markets received remote training on our Supply Chain Sustainability programs. In addition, we continued our annual *Driving a Better Tomorrow* presentation series, including a live session about Vista Maria, a Michigan agency offering an array of services for women and girls in crisis, some of whom were victims of human trafficking. Presenters shared how the 600 Purchasing employees in attendance can play a role in supporting Vista Maria.

Externally, we require suppliers located 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. In 2020, the industry was unable to conduct in-person supplier training due to the global COVID-19 pandemic. In response, Ford invited suppliers to complete the Responsible Business Alliance (RBA) Due Diligence on Recruitment Fees online training. Ford also partnered with RBA and Drive Sustainability to develop new e-learning training modules which will be launched for suppliers in 2021. These trainings are a key element of our due diligence process. For greater detail on these industry trainings, please visit the [Drive Sustainability Capacity Building](#) and [RBA Training Resources](#) websites.

In addition to industry trainings, Ford's Supply Chain Sustainability team delivered a presentation to the University of Michigan Law School's "Human Rights, Mineral Extraction, and the Global Supply Chain" class in February 2020. The lecture covered a range of topics including forced labor in automotive supply chains, responsible materials sourcing, and methods for building supplier capacity and devising audit non-conformance remediation plans.

## Key Performance Indicator (KPI) Reporting

Select key performance indicators reported for 2020 include the following:

- Working conditions assessments (supplier audits completed to date)
- Follow-up assessments completed to date (third-party and/or internal)
- Working conditions training (training sessions conducted to date)
- Total number of attending companies
- Total number of trained managers (attendees)
- Supplier audit findings - prevalence of non-conformances in 2020 initial audits conducted (% of audits issue in which finding appeared)
- Supplier audit findings - initial and closure audit average scores (2017-2020)

For additional information, see Ford's [UN Guiding Principles Reporting Framework Index](#): performance tracking (C5), corrective action plans (C3.1, C4, C6.4), remediation programs and practices (C6). Audit data and KPIs for 2020 are also available in the [Performance Data Report](#).



## COVID-19 Impacts & Response

**We understand that maintaining the stability of our supply base and the health and safety of all workers in our value chain during the global COVID-19 crisis is critical to preventing the pressurized and coercive conditions that can lead to forced labor, unsafe working conditions, and other labor and human rights violations in our supply base.** Ford responded to the crisis in many ways, supporting our employees, our communities, and our suppliers during this unprecedented year.

Starting in March 2020, Ford launched global efforts to design and produce urgently needed medical equipment and supplies for health care workers, first responders and patients fighting COVID-19. In the United States, Ford teams produced more than 45 million face masks, 20 million face shields, 1.6 million washable isolation gowns, 50,000 ventilators and, in partnership with 3M, 32,000 powered air-purifying respirators. In the United Kingdom, Ford made ventilator sub-assemblies for the National Health Service (NHS), and in Australia, Ford liaised with the government to supply 250,000 face shields amid a global shortage of personal protective equipment. These efforts, in addition to many more in our countries of operation, are collectively known as Project Apollo. Ford Motor Company Fund distributed 19.6 million pounds of food globally and raised over \$1.1M for COVID-19 related relief efforts through 47 community organizations in 20 countries and 14 U.S. states through its COVID-19 Donation Match program.

We utilized lessons learned from global epidemiologists and our Ford of China team to develop Return-To-Work playbooks, staff training sessions, cleaning protocols, personal protective equipment (PPE) distribution, and other health and safety protocols for our [manufacturing](#) and [non-manufacturing](#) operations. These comprehensive playbooks are being applied consistently at all our locations to ensure the safety of all employees. We shared these playbooks, sessions, and protocols among our global facilities and to our global supply base.

The automotive industry in North America restarted in May 2020 after shutting down for two months, leading to a cash-flow crisis among many suppliers. To provide much-needed cash flow and working capital during the unprecedented downturn, Ford created an [early-payment program](#) for suppliers.

While the COVID-19 pandemic affected our ability to complete all planned supplier audits and in-person trainings, we worked with our cross-industry partners to develop alternate options, including online training programs (see “Global Internal / External Training”) and remote supplier audits.

## Partnerships with External Organizations

**We are members of the 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, expanding the scope of what was then the Electronics Industry Citizenship Coalition (EICC). 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 workgroups through RBA and its Responsible Labor Initiative (RLI) and Responsible Minerals Initiative (RMI). Ford's workgroup participation supports discussions around cross-industry audit protocol advancement, living wage, artisanal and small-scale mining, and definitions of recruitment fees. We are also a member of the RBA Board of Directors.



**We are a members of the Automotive Industry Action Group (AIAG), a non-profit organization of over 3,000 global automotive OEMs and suppliers.** Ford is an active member of the 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 capacity 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. We participate in the working groups responsible for improving the SAQ program and for developing a globally aligned training program.

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

**For further guidance on our programs, please review Ford's [Integrated Sustainability and Financial 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, 2021.

Signed:

James D. Farley, Jr.  
President and Chief Executive Officer  
Ford Motor Company

Date: June 14, 2021



## Appendix A

**President and  
Chief Executive Officer**

March 29, 2012

### **Policy Letter No. 24: Code of Human Rights, Basic Working Conditions, and Corporate Responsibility**

As more fully provided in Policy Letter No. 2: Relationships with Employees, the diverse group of men and women who work for Ford Motor Company (the "Company") are our most important resource. In recognition of their contributions, the Company has policies and programs designed to ensure that its employees enjoy the protection afforded by the principles articulated in this Policy. The Company also strives to be a good corporate citizen and works to implement policies and programs to benefit the communities where we operate. Although these principles are not new to the Company, they are vitally important to what we stand for as a company.

This Policy Letter sets forth the Company's guiding principles for human rights, labor, and environmental standards throughout its global operations. The principles are consistent with, and in many instances derived from, the human rights framework and charters listed below:

- International Bill of Human Rights (The United Nations Universal Declaration of Human Rights and its two Covenants) 1948
- The UN Human Rights Council Guiding Principles on Business and Human Rights (2011)
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises Revision 2011
- The Global Sullivan Principles
- The ILO Declaration on Fundamental Principles and Rights at Work
- ILO Tripartite Declaration on Multinational Enterprises and Social Policy
- The UN Convention against Corruption (2005)

The diverse settings in which the Company operates require that a statement of our basic working conditions be general in nature. In certain situations, local legal requirements, labor agreements, and other contractual and noncontractual arrangements may modify portions of this Policy Letter. Nevertheless, the Company intends this to be an affirmation of basic guiding principles that should serve as the cornerstone of its relationship with our employees and other stakeholders in the countries where we operate.

### **Human Rights**

It is a goal of the Company to respect human rights in all of our activities. The Company will seek to neither cause nor contribute to adverse human rights impacts through our activities and will seek to timely address such impacts if and when they occur. Company personnel must follow the Company's corporate policies and comply with national laws and regulations related to human rights. Company personnel should also work to reduce the risk of potential human rights violations by identifying risks, monitoring those risks, remediating any non-compliance, and reporting our progress publicly.

### **Working Conditions**

#### Child Labor

The Company will not use child labor. In no event will the Company employ any person below the age of 15, unless this is pursuant to a government-authorized job training or apprenticeship program that would be clearly beneficial to the persons participating.



### Compensation

The Company will promote our employees' material well-being by providing compensation and benefits that are competitive and comply with applicable law.

### Forced Labor

The Company will not use forced labor in any form, and will not tolerate physically abusive disciplinary practices. The Company will not use or support human trafficking in its labor force.

### Freedom of Association and Collective Bargaining

The Company recognizes and respects its employees' right to associate freely and bargain collectively. The Company will work constructively with recognized employee representatives to promote the interests of its employees. In locations where employees are not represented by unions, the Company will provide opportunities for employee concerns to be heard.

### Harassment and Discrimination

As more fully provided in Policy Letter No. 6 - Equal Opportunity and Affirmative Action, and Directive B-110: Anti-Harassment – Zero Tolerance, the Company will not tolerate harassment or discrimination on the basis of gender, race, color, religion, age, national origin, sexual orientation, gender identity, disability, or veteran status.

### Health and Safety

As more fully provided in Policy Letter No. 17 - Protecting Health and the Environment and related directives, the Company will provide and maintain for all personnel a safe and healthy work environment that meets or exceeds applicable legal standards for occupational safety and health.

### Work Hours

The Company will comply with applicable laws regulating hours of work.

## **Community Engagement and Indigenous Populations**

The interests of indigenous people in the local communities where we operate are important considerations in the Company's projects and activities. The Company will work constructively with recognized representatives of these groups who have an interest in the Company's projects and activities, including implementation of sustainable water strategies.

## **Bribery and Corruption**

As more fully provided in Policy Letter No. 3 - Standards of Corporate Conduct, the Company will under no circumstances tolerate the giving or receiving of money, gifts, or favors to influence improperly the behavior of another individual, organization, government employee, politician, or government body in furtherance of a commercial or personal advantage. Bribery is never permitted, even in countries or regions where it may appear to be tolerated or condoned.

## **Environment and Sustainability**

As more fully stated in Policy Letter No. 17 - Protecting Health and the Environment, the Company will conduct business in a manner that provides responsibly for the protection of health and the environment. The Company will as practicable continue to reduce and minimize the environmental impact of its operations in the short term, and work toward the implementation of environmentally-sustainable strategies in the long term.

## **Responsibility and Implementation**

The Company encourages businesses throughout our supply chain to adopt and enforce similar policies in



their own operations that are similar to those articulated here. Further, the Company will seek to identify and do business with organizations that conduct their businesses to standards that are consistent with this Policy Letter including working to extend these principles within their own supply chain.

The Company will, as appropriate, seek the assistance of independent third parties to assess compliance with this Policy.

This Policy is not intended to benefit any third parties or to create or confer any third party rights.

All Company personnel must report known or suspected violations of this Policy through the established reporting channels. The Company prohibits retaliation against anyone who in good faith reports a violation.

The Vice President, Sustainability, Environment and Safety Engineering is responsible for interpreting this Policy with the concurrence, as appropriate, of the Executive Vice President, Global Manufacturing and Labor Affairs, the Group Vice President, Global Purchasing, and the Group Vice President and General Counsel.

All Ford Motor Company subsidiaries and affiliates should adopt a similar directive.

Alan Mulally

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This Policy Letter supersedes Policy Letter No. 24: Code of Basic Working Conditions and Corporate Responsibility, dated May 17, 2007.

Policy Letter No. 24 REFERENCES  
(Updated May 2015)

**REFERENCES:**

- Policy Letter No. 2: Relationships with Employees
- Policy Letter No. 3: Standards of Corporate Conduct
- Policy Letter No. 6: Equal Opportunity and Affirmative Action
- Policy Letter No. 17: Protecting Health and the Environment
- Directive B-110: Anti-Harassment – Zero Tolerance
- Corporate Sustainability Report
- Sustainability & Corporate Citizenship
- The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The United Nations Global Compact
- The United Nations Universal Declaration of Human Rights



## Appendix B

Partners and Memberships	What the Partner Does
<a href="#">Automotive Industry Action Group</a> (AIAG)	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</a> (DS)	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 capacity and empowerment. Under this framework, the partnership organizes different activities like supplier training series, dialogue event or local networks.
<a href="#">Interfaith Center for 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</a> (PPA)	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</a> (RBA)	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</a> (RLI)	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</a> (RMI)	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; and</li> <li>• Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.</li> </ul>