

**Ford Code of Human Rights, Basic Working Conditions and Corporate Responsibility**  
**Pre-Site Visit Facility Survey**

<b>Date</b>	11/14/2018
<b>Location / Facility</b>	Irapuato Transmission

**Perception and Understanding of Code**

1. In your opinion, what is the greatest value-add of conducting human rights assessments at Ford's owned and operated facilities?

Countries where Ford conducts business have strict labor laws, it is significant to know the importance it has for Ford to ensure the protection of personnel individual guarantees. This is also a reminder for the assessed facility to review processes and procedures, human right wise but also of the importance of Corporate Citizenship and our responsibility regarding Inclusion, Diversity including Vulnerable Groups in any given specific country where Ford has operations.

2. When you look at the code, and imagine using it to assess current practice at Ford facilities, what are the greatest areas of non-compliance that you might predict? How do you think management, workers and employee representatives at Ford facilities will view these assessments?

The biggest non-compliance predicted could be procurement processes.

Reactions from leadership will be full sponsorship and expectation to know if any of the questions from the assessment are not being complied to ensure immediate actions. The rest of the personnel and Union representatives are going to be glad to know Ford is taking the time, and cares about its personnel and processes and will be supportive. It will also help for talent attraction, when word spreads regarding Ford's commitment regarding human rights.

**Facility Conditions**

***Human Rights***

In order to gauge human rights risks, it is imperative that business enterprises identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. Please answer the following questions to describe how your facility approaches assessment and management of human rights risks.

1. In your opinion, what does upholding human rights mean to your facility?

They are the minimum standards that will allow our employees to live with dignity, freedom, equality, justice and with certainty and tranquility they are being treated with respect and in full alignment with company processes, policies and Mexican laws.

2. How is the preservation of human rights monitored in your facility?

Adherence to universal human rights principles, Mexican laws and Ford processes; internal and external audits, reporting mechanisms

- Values and Culture Training
- Union Awareness regarding human right principles
- Vulnerable Group Hiring (People with disabilities, Senior Population, indigenous Population, LGBTTTIQ Population, etc.) and awareness training for all personnel
- Culture walks with Union, Plant and Area Managers
- Targeted Skip Levels

- Targeted Surveys and Focus Groups
- Culture Council LL6+
- Monthly Area Culture Meetings (Hourly & Salary)
- Quarterly Targeted Culture communication Town Halls

3. How is your facility working to reduce human rights risks? Please describe any particular processes or initiatives.

- Training, Procurement, code of conduct, harassment, Diversity and Inclusion, Personnel Relations training and knowledge of appropriate complaint mechanisms in the “becario” program – training prior to hiring-
- Open Communication in all employee levels with the mechanisms mentioned in prior point with zero tolerance from both company and union
- Ongoing safety and environmental communication through weekly bulletins, newsletters, social media
- Pulse survey and action plans with employees involvement
- Sports and Family integration events
- Corporate Citizenship initiatives that include families and other associations

4. How is your facility monitoring human rights risks?

- Training completed vs programmed specially in code of conduct, procurement, d training
- Skip Level follow up / action taken
- Survey follow up / action plans
- Personnel Relations complaint tracing, and immediate action plans to avoid recurrence
- Union constant involvement and proactivity

5. How are you remediating any non-compliance to human rights policies or addressing identified human rights risks?

In all cases, we conduct a deep investigations and interviews when non-compliance are identified along with Personnel Relations and act according to company and countries policies and country laws.

6. Do you believe that you are making progress in minimizing human rights risks? What additional support do you believe is necessary in order to making continuous improvement towards upholding human rights?

We are definitely making progress; everyday people, our employees are much more aware of their rights and confidence to report each and any anomaly they might identify for the trust they have any complaint will be addressed and the mechanisms are set to do so. And it is not only our employees awareness the communities nearby also understand the importance of minimizing risks and are watching too.

The results of surveys such as Pulse, Focus Groups, Skip Levels are important to measure the environment in the plant and react as fast as possible avoiding the deepening of any rising issue.

### ***Working Conditions***

1. Please describe how you meet each of the facets of “Basic Working Conditions” as outlined in the Code of Human Rights, Basic Working Conditions, and Corporate Responsibility. Use the following chart to outline: i) the policy / law(s) followed in order to meet these principles of “Basic Working Conditions” as outlined in Policy Letter 24, ii) the process your facility undertakes in order to implement such policy / law correctly, and, iii) where these documents are housed.

	<b>Policy(s) / Law(s) Followed</b>	<b>Process to Implement Policy Correctly</b>
<b>Child Labor</b>	<ul style="list-style-type: none"> <li>• Mexican Federal Labor Law</li> </ul>	<ul style="list-style-type: none"> <li>• No candidate under 18 years of age is considered</li> <li>• No candidate without a Middle High School is considered</li> </ul>
<b>Compensation</b>	<ul style="list-style-type: none"> <li>• Mexican Federal Labor Law</li> <li>• Union Collective Contract</li> <li>• Market Studies/Surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation and benefits determined by annual salary survey</li> <li>• Annual negotiation in the presence of Mexican Conciliation authorities with Union to determine fair, competitive compensation and benefits</li> </ul>
<b>Forced Labor</b>	<ul style="list-style-type: none"> <li>• Mexican Federal Labor Law</li> </ul>	<ul style="list-style-type: none"> <li>• Forced Labor is prohibited</li> <li>• Overtime is not mandatory it is voluntary</li> <li>• Employees can come and go at any time and for any reason</li> </ul>
<b>Freedom of Association and Collective Bargaining</b>	<ul style="list-style-type: none"> <li>• Mexican Federal Labor Law</li> </ul>	<ul style="list-style-type: none"> <li>• Company recognizes and respects the employees right to associate freely and bargain collectively</li> <li>• Employees are supported and encouraged to participate in Union activities</li> <li>• Union commissions are set throughout the Plant to ensure concerns being heard (Safety, L&amp;D, Bargaining, profit sharing, etc.)</li> </ul>
<b>Harassment and Discrimination</b>	<ul style="list-style-type: none"> <li>• Mexican Federal Labor Law</li> <li>• Federal Law to Prevent and Eliminate Discrimination (National Council to Prevent Discrimination)</li> <li>• Human Rights National Commission</li> <li>• Distinctive Rincón Gallardo for Inclusive Companies</li> </ul>	<ul style="list-style-type: none"> <li>• Zero tolerance Policy regarding discrimination</li> <li>• Complaints are investigated and actions taken immediately (both in company and authority wise)...</li> <li>• Before hiring all new-to-be Ford employees have to take mandatory anti-harassment, men and women working together, code of conduct, diversity and inclusion awareness training and sign company's Zero Tolerance Policy document</li> <li>• Government (Labor Ministry) awarded ITP a distinctive –Gilberto Rincón Gallardo- rewarding the efforts of the plant regarding Vulnerable Groups hiring after 6 months of government audits</li> </ul>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• Mexican Federal Labor Law</li> <li>• Safety Operating System Standards</li> </ul>	<ul style="list-style-type: none"> <li>• OSHA</li> <li>• Health and Safety processes governance</li> <li>• Safety Training (46 hours) for all new hires</li> <li>• SOS Processes and Policies (Daily Safety Meeting, Leadership Meetings, SBRB Meetings, Safety Videos and and induction)</li> <li>• Daily Safety Meetings with Suppliers</li> <li>• Safety FoM Council governance</li> </ul>
<b>Work Hours</b>	<ul style="list-style-type: none"> <li>• Mexican Federal Labor Law</li> </ul>	<ul style="list-style-type: none"> <li>• Normal working hours and overtime never above what Labor Law determine</li> <li>• Audits by Labor Ministry to ensure proper working hours</li> <li>• Overtime is not mandatory it is voluntary</li> </ul>
<b>Where are these documents housed?</b>		

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
	<ul style="list-style-type: none"> <li>• Personnel Individual Files</li> <li>• Medical personnel individual Files kept in Medical Service for Physician consultation only</li> <li>• Personnel Relations records maintained in Electronic and digital records in Corporate Building (FoM)</li> <li>• Collective Bargaining documents are kept by CoE Labor, Union Representatives and are deposited in the Labor Ministry (Federal Government)</li> <li>• Union Statutes are kept by CoE Labor, Union Representatives and Labor Ministry (Federal Government)</li> <li>• OSHA records are kept in Medical Service and Safety</li> <li>• Vulnerable Hiring Records, station changes to receive people with disabilities, plant upgrades to ensure mobility for everyone kept in Labor Ministry, National Council to Prevent Discrimination (CONAPRED), Medical Service, CoE Labor</li> <li>• HR Procedures and Policies – HR Online</li> <li>• The RightWay App</li> </ul>	

2. In the code, it has been made explicit that Ford seeks to identify, report and address any suspicion of human trafficking in order to adhere to our commitment to ensuring Basic Working Conditions and Human Rights.

a) Within your community, are you aware of or have noticed any human trafficking activity? If so, please describe.

No, we are not aware of any human trafficking activity.

b) Are you aware of any suppliers or businesses in which you interact that are suspected of or have been found to engage in activities of human trafficking, directly or indirectly?

No, we are not aware.

c) Are you aware of the Company or any other entity supporting the Company in its recruiting efforts requiring fees or charging costs to job-seekers and workers related to recruitment for temporary or permanent job placement at the Company, including when the Company uses the services of Private Recruitment, Labor Broker or Employment Agent or performs recruitment activities directly?

No, we are not aware.

d) Are you aware of the Company or any other entity supporting the Company in its recruiting efforts retaining or confiscating identity or other documents?

No, we are not aware.

## Corporate Responsibility

- Please describe how you meet each of the facets of “Corporate Responsibility” as outlined in the Code of Human Rights, Basic Working Conditions, and Corporate Responsibility. Use the following chart to outline: i) the policy / law(s) followed in order to meet these principles of “Corporate Responsibility” as outlined in Policy Letter 24, ii) the process your facility undertakes in order to implement such policy / law correctly, and, iii) where these documents are housed.

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
<b>Community Engagement and Indigenous Populations</b>	<ul style="list-style-type: none"> <li>Ford Corporate Responsibility Policy</li> <li>Preventing and addressing harassment</li> <li>Vulnerable Group Inclusion Labor Ministry</li> </ul>	<ul style="list-style-type: none"> <li>Global Week of Caring</li> <li>ITP certification as a Social Responsible Company (State &amp; Federal)</li> </ul>
<b>Bribery and Corruption</b>	<ul style="list-style-type: none"> <li>Policy Letter 3</li> </ul>	<ul style="list-style-type: none"> <li>Annual refresh of corporate policies</li> <li>Zero Tolerance</li> <li>Mandatory training courses throughout the year</li> <li>Orientation for all new hires</li> </ul>
<b>Environment and Sustainability</b>	<ul style="list-style-type: none"> <li>Policy Letter 17</li> <li>Product quality, safety and environmental matters (EOS)</li> <li>Government environmental policies (SEMPARNAT)</li> </ul>	<ul style="list-style-type: none"> <li>Annual refresh of corporate policies</li> <li>Ongoing EOS revisions</li> <li>Government environmental audits</li> </ul>
<b>Where are these documents housed?</b>		
<ul style="list-style-type: none"> <li>Internal web site – Policies &amp; Conduct Handbook</li> <li>Government audit records</li> <li>HR Procedures - HR Online</li> <li>Personnel Individual Files</li> <li>Personnel Relations records maintained in Electronic and digital records in Corporate Building (FoM)</li> </ul>		

- What local communities or populations do you regularly engage with? What issues are pertinent to them in relation to Ford’s projects and activities? What is your process to address issues pertinent to such local communities and populations?

Nearest communities to ITP, Elementary Schools and Kindergarten are some local populations where Ford Irapuato has projects and activities, for example: repainting of schools, general cleaning, reforestation, etc. ITP has an annual process to provide help at these projects, through Global Week of Caring.

- How have you incorporated sustainable water strategies in to your facility’s operations? Can you point to any specific metrics / improvements that have been made and can be quantified? If so, please describe or provide any relevant documentation that indicates progress. *Please contact the Manager, Social Sustainability, if unfamiliar with Ford’s water strategy and related initiatives to receive additional information.*

Ford has in balance score card the dimension of Environmental where the key metrics are Environmental Compliance (%ECI), Water Usage (m3/Unit), Waste to Landfill (kg/Unit), Energy Usage (KwH/Unit), Hydrocarbon Usage (L/Unit)

ENVIRONMENTAL	Environmental Compliance (%ECI)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%				1.00	
	Water Usage (m3/Unit)	TBD	0.45	0.29	0.56	0.45	0.41	0.38	0.43	0.19	0.18				0.45	
	Waste to Landfill (Kg/Unit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00	
	Energy Usage(KWH/Unit)	TBD	319	303	301	275	254	224	288	158	155				390.50	
	Hydrocarbon Usage (L/Unit)	TBD	0.91	0.6	0.5	0.6	0.5	0.9	1.1	0.4	0.4				0.91	

4. In your opinion, how do you believe sustainable water projects contribute to the health of staff, operations and the community?

In Bajio region is critical the water and environment issue, and we contribute with our water treatment process. Additionally, creating a culture of recycling and separation of waste.

5. What initiatives are being undertaken to reduce environmental / health impacts from operations? How is this contributing to your facility's ability to move towards being more environmentally sustainable in the long-term?

Key objectives in environmental is reduce water usage, energy usage, hydrocarbon usage and waste to landfill per unit, measure this metrics support our main objective of reduce environmental impacts, and is sustainable already are part of the balance score card of our Production System.

### Responsibility for and Implementation of the Code

1. How are you approaching continuous improvement in your facility's performance, practices and processes in place to comply with Policy Letter 24?

Manager and seniors leaders in ITP every year reinforce our Code of Human Rights, Basic Working Conditions and Corporate Responsibility, through Town Halls, Skip Levels, Focus Groups, etc. where we are clear with our goal of the Company to respect human rights in all of our activities. Company personnel work every day to reduce the risk of potential human rights violations by identifying risks and reporting any incident. Every year the Company reinforce that all personnel must report known or suspected violations of our policies through the established channels.

### Additional Information

1. What would you suggest is most important for Social Sustainability to keep in mind in order to make this effort successful (both in terms of gathering information and creating a sense of partnership and shared purpose with the facilities)?

Create alignment between our Mission, Vision and Values with our Policies and Codes. With this alignment is easier the sustainability of the Policy Letter No. 24 because all personnel believe in that.

2. Any words of wisdom/advice?

We respect this diverse settings in which the Company operates. In certain situations, local legal requirements, labor agreements, and others contractual and noncontractual arrangements may modify any of our Policies. Nevertheless, Ford 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.