

Respecting Human Rights in Our Facilities

Introduction

Since 2004, Ford Motor Company has conducted around 50 human rights assessments to evaluate how our facilities around the world align with our [Code of Human Rights, Basic Working Conditions and Corporate Responsibility \(Policy Letter 24\)](#). Our historical assessments allowed us to engage in greater dialogue with our facilities and determine if there were any potential red flags. Due to the qualitative basis and limited reach of the survey format, we determined that the historical process for assessing human rights risk at our facilities needed to be updated and improved. After detailed analysis of the process, Ford has shifted to a more responsive, quantitative approach utilizing an established online third-party assessment tool from the Responsible Business Alliance (RBA). We believe that this approach will foster the best results for upholding our commitment to Human Rights in accordance with our internal Policy Letter 24 and the United Nations Human Rights Council Guiding Principles on Business and Human Rights.

Taking Action to Prevent, Mitigate and Remediate Human Rights Risks at Our Facilities

In 2020, Ford piloted the [RBA Online](#) Self-Assessment Questionnaire (SAQ) - resulting in a more streamlined assessment of potential areas of risk and more efficient process for analyzing responses. The facilities selected for the pilot assessment were based on country-level risk of human rights violations, the time since the facility's last human rights assessment (or facilities that have not yet been assessed), and plants recommended by our internal cross-functional Governance Team. Responses for the pilot Human Rights Risk Assessment SAQ at Ford and Joint Venture facilities were received from six global [facilities](#) despite several delays caused by COVID-19 working restrictions.

We are currently in process of conducting the due diligence required to assess identified potential human rights risks within our pilot facilities ([See Figure 1](#)). The RBA scoring results are limited to only highlight potential areas for further investigation. The SAQ does not identify specific issues that require immediate action without further investigation of the issue. Through dedicated efforts involving our governance and issue resolution teams, we will validate and verify any potential issues identified from the assessment. If necessary, we will take actions to ensure that our facilities implement processes to prevent, mitigate and remediate any form of human rights abuse – including, but not limited to, compulsory labor, child labor, corruption and/or discrimination.

What's Next?

While complete pilot results continue to be assessed, the cross-functional Governance Team is working internally with our facilities to assess best practices and validate potential areas of elevated risk within the six [facilities](#). The Governance Team alongside the Issue Resolution Team will conduct the required due diligence to identify if further action is needed. We will continue to evaluate and improve our pilot processes for expanded rollout to additional facilities, furthering our efforts to ensure the protection of the human rights and basic working conditions within our facilities.

Table 1: 2020 Facilities Completing Pilot Assessment

Facility Name	Country	Joint Venture
Auto Alliance Thailand	Thailand	✓
CAF Chongqing Engine Plant	China	✓
Pacheco Assembly Plant	Argentina	
Craiova Engine Plant	Romania	
Livonia Transmission Plant	United States	
Hermosillo Stamping & Assembly	Mexico	

Figure 1: Process Flow and Recommended Action Plan

