

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

Date	November 2018
Location / Facility	Valencia Assembly Plant - Spain

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?

The majority of the human right questions in the questionnaire are ruled by the country legal framework (either the country's constitutional law or the labor laws – Workers' Statute in Spain as the prime labor rights body). But the case may be different in other countries, hence the value added of conducting the human rights assessments across the locations where Ford operates.

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?

We do not predict areas of non-compliance, because non-compliance would be also a breach of the legal regulations. As a matter of principle, Ford always acts respectfully to the legal regulations in the country where it operates.

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?

Upholding human rights at Valencia (Spain) means ensuring an environment in which employees can work safely, without the fear of harassment or discriminatory actions by treating everyone equally and with respect in accordance with the law and company policy, plus rewarding the work performed in line with the remuneration scales agreed in the collective labor contract between management and the Works Council.

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

Apart from teaching the policies and norms to managers and supervisors, the unions representatives are also vigilant for situations that might be suspicious of violating human rights.

Violations of human rights are highly penalized in Spain and, if proved, violation cases can result in hard fines and in civil/penal responsibility issues, exposing both the individuals and the company as a legal entity.

The plant also encourages the use of the various reporting mechanisms the company has made available to ensure any violations are investigated in a timely manner.

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

Employees are trained about corporate policies supporting human rights such as the Standards of Corporate Conduct Training, also reinforced with the on-line courses within the integrity section. There are also sporadic communications to remind employees of the different policies and initiatives. Valencia utilizes Safety Stand Downs, bulletins, email and skill level meetings to cascade information. The plant also encourages and supports Pulse Surveys.

Management promotes a culture of reinforcing the company's position on respective human rights. Employees are fully aware how to report suspected misconducts and recognize the diligence how the company deals with these matters.

Human rights are a given in Spain. Any infraction on human rights would be a legal breach, plus individuals found guilty of committing violations would be subject to severe disciplinary action.

4. How is your facility monitoring human rights risks?

No special monitoring is conducted. Suspicions of violations and/or communications of suspected violations trigger the investigation to determine existence or not of the violations. If necessary, corrective actions of erroneous conducts/practice and refreshment of policies and norms follows the investigations.

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

In the case of any individuals are identified as being in violation of corporate policy, the appropriate sanction is activated. In all cases, the matter is addressed in accordance with the chapter of Disciplinary Actions that exists in the collective labor contract (disciplinary actions are always communicated to the Works Council and the WC and unions have the right to make allegations on the sanctions proposed by management). If any non-compliance is related to wage/salary, the corrective steps are taken to ensure employees are appropriately compensated.

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 of the belief that human rights are protected in our labor environment and that channels to address and correct misconducts or erroneous practices exist.

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.

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Child Labor	<ul style="list-style-type: none"> Spain Workers' Statute Spain's Constitutional Law 	<ul style="list-style-type: none"> Minimum legal age for jobs like ours is set at 18 years

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Compensation	<ul style="list-style-type: none"> Spain Workers' Statute Spain's Constitutional Law 	<ul style="list-style-type: none"> Companies in Spain must adhere to the conditions of the professional sector Collective Labor Contract or have a specific labor contract agreed through a bargaining process (Ford Spain's case)
Forced Labor	<ul style="list-style-type: none"> Spain Workers' Statute Spain's Constitutional Law UNO universal declaration of human rights 	<ul style="list-style-type: none"> Adamantly forbidden Not legally allowed in any case or circumstance
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> Spain Workers' Statute Spain's Constitutional Law Spanish Law of Union Freedom 	<ul style="list-style-type: none"> The company management fulfills the law Works Council is vigilant of any possible breach
Harassment and Discrimination	<ul style="list-style-type: none"> Spain Workers' Statute Spain's Constitutional Law Corporate Code of Conduct 	<ul style="list-style-type: none"> Complaints can be addressed to HR, Labor Relations, the OGC or the Works Council. In this last case, the WC brings the subject to the attention of HR, Labor Relations Complaints can also be sent to the Labor Inspection (Labor Authorities). Also in case of health impact, complaints can be channeled through the in-house medical department
Health and Safety	<ul style="list-style-type: none"> Spain Workers' Statute Spain's Constitutional Law Spain's Law on Prevention of Labor Risks Corporate Health and Safety policies 	<ul style="list-style-type: none"> Safety department monitors safety activities All Health and Safety processes are governed by the SOS process. Shop floor level, Plant and Executive reviews take place on a regular basis. SOS Self Assessments are conducted twice a year Safety committees in all plants/areas, plus the central Safety committee for the site Labor inspections and campaigns by the Labor authorities
Work Hours	<ul style="list-style-type: none"> Spain Workers' Statute Company's Collective Labor Agreement 	<ul style="list-style-type: none"> Work hours agreed in the collective agreement cannot be higher than the maximum specified in the Workers' Statute We scrupulously follow the pattern established in the Collective Labor Contract
Where are these documents housed?		
<ul style="list-style-type: none"> Corporate policies and agreements are housed in the HR department Copies of the legal texts are housed in the HR department, Legal and in the OGC office Records of timekeeping hours, individual records of work hours and monthly pay slips are housed in the Payroll department (Accounting) Documentation raised by Works Council is housed in HR, Labor Relations Documentation related to Health & Safety is housed in HR, Safety 		

- 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. Not at all.

- 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. Same as in a) above.

- 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. Any recruiting activity in Valencia is always performed with our own resources (own personnel).

- 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. Any recruiting activity in Valencia is always performed with our own resources (own personnel).

Corporate Responsibility

1. 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
Community Engagement and Indigenous Populations	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Constitutional rights apply to any person with legal residence in Spain
Bribery and Corruption	<ul style="list-style-type: none"> • Spain's Civil Law • Spain's Penal Law • Corporate Code of Conduct 	<ul style="list-style-type: none"> • Refreshment training on Policy letter nr. 3 • Classroom training delivered to personnel who establish contacts with third parties in his job duties
Environment and Sustainability	<ul style="list-style-type: none"> • Policy Letter 17: Protecting Health and the Environment • Spain's Law on Protection of Environment 	<ul style="list-style-type: none"> • Self-assessment of prevention practices as part of the Ford FPS system • Compliance with certifications provided to the Environmental authorities • Environmental coordinators identified in all plants and areas to carry out preventive follow up and compliance with internal guidelines and external legal obligations • Periodic certification of ISO18001 compliance • There is also an environmental committee jointly manned by company and union representatives

Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Where are these documents housed?	
<ul style="list-style-type: none"> • Corporate policies are housed in the HR department and in the Environmental Prevention department, as appropriate • Copies of the legal texts are housed in the HR department, Legal and in the OGC office • Documentation raised by environmental coordinators is housed in the Environmental Prevention department • Documentation related to Health & Safety is housed in HR, Safety • ISO18001 certifications are housed in the Environmental Prevention department 	

2. 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?

Ford Spain engages closely with the municipality of Almussafes (the village where the factory is located), as well as with the many suppliers of parts and services that are in the nearby area.

They are all interested in getting the Ford know-how on industrial processes and on quality methodologies. Since many years, Ford Spain and the regional government created a foundation whose main goal is to disseminate the Ford's industrial culture through training courses to inhabitants of the village and to employees from those suppliers.

3. 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.*

We have a corporate objective of 30% water reduction in 5 years (2015-2020). (See Attachments 1 and 2)

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

Ford Almussafes factory is located in a water scarcity area. Any project/action to reduce water consumption in our processes will improve people's life (employees, neighbors, etc.), and the Company environmental image.

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?

We are Zero waste-to-landfill since 2015, what means all waste generated by the factory are valorized or recycled, and not send to landfill. We are working, as well, on water consumption minimization (as per question 3), and Ford has another corporate objective of potable water not being used for industrial processes.

All the actions above and our continuous improvement policy make the factory more environmentally sustainable.

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?

Ford Spain is continuously monitoring the compliance with Policy Letter 24 through several local committees, identifying opportunities for improvement on working conditions. Joint local committees (equal membership company and unions) that touch on these matters are: Absenteeism committee, Transportation and Social care committee, Canteens committee, Equal Treatment committee, Labour Contract's Interpretative committee, Plants and Central Safety committee, Consultative and Participation committee, Health Improvement committee, Education & Training committee, People's Mobility and Transfers committee, Worktime Measurements committee, People's Development Plan committee, Observatory for the Employment committee, Job Evaluation committee, Pension Plan committee and Environmental committee.

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)?

We understand the Company is performing several strategies that should continue such as: PULSE survey to provide the facilities with adequate information to monitor the status on several aspects related with Policy Letter 24, as well as CLAD nominations to maintain momentum on Diversity and Inclusion, or the Integrity at Work online training courses which have proved to be very well accepted by our employees.

Local Management will have to support all company initiatives communicating to all employees the importance to do the right thing, supporting Ford Culture Truths, so employees fully embrace them.

Ford of Spain employees will continue helping Local Communities through Community Services and other activities involving local institutions that will promote Social Sustainability, and will put our brand as an example of Equity, Diversity, and Corporate responsibility.

2. Any words of wisdom/advice?

Not at this stage.