

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

<b>Date</b>	November 2018
<b>Location / Facility</b>	Ford India

**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?

Ford always gives utmost importance to human resources in all its business decisions. Culture is the driver of our business strategy and enabler to make Ford as a Great Place to Work. Ford in India was recently judged as one of the Top 25 best workplaces in manufacturing in 2018 as a Great Place to Work.

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 area with the highest risk of non-compliance is contractor compliance. To reduce the risk in these areas, we need to thoroughly educate our contractors and ensure appropriate controls are established.

**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?

At Chennai Plant, we treat all employees equally regardless of Ford or Non-Ford employee status. We fully comply with the local regulations in terms of working hours, working conditions etc. We have an open door policy and they have access to the leadership to share any concerns or grievances. They can also choose between anonymous vs. direct communication to share their grievances or complaints if any.

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

There are various means such as global pulse survey, skip meetings with leadership, diversity committee, Union meetings, statutory audits etc. These avenues are effectively used for sharing concerns, problem solving etc. at the Chennai plant

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

- Included diversity and zero tolerance to discrimination and harassment in orientation trainings for new employees
- Committee formed to handle harassment complaints

- Coordinate with Union to organize recreation activities for all employees (football competition, singing performance, yoga classes)
- Publish the hotline numbers/ contacts so employees can report out all violation cases in the most convenient way for them
- Encourage employees to take Pulse survey to provide feedback

4. How is your facility monitoring human rights risks?

We use employee's feedback from different channels (meetings, surveys) to make action plan to address issues. We also have follow up sessions to update employees on the action plan status.

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

Compliance audits, employee feedback through skip level meetings, leadership and Union meetings are considered as inputs for changes to the company policies

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?

Yes, we strongly believe that we are making progress in minimizing human rights risks. The people metrics on Pulse ESI, EEI, people development and talent management are good indicators for this matter.

### **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>• Factories Act, 1948</li> <li>• Child Labor (Prohibition and Regulation) Act, 2016</li> </ul>	Recruiting & Selection process to ensure candidates have the minimum legal age required to work
<b>Compensation</b>	<ul style="list-style-type: none"> <li>• Min Wages Act</li> <li>• Payment of Wages Act</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct annual salary survey for all personnel</li> <li>• Collective bargaining for hourly employees</li> <li>• Yearly salary adjustment for salaried employees based on C&amp;B principles</li> </ul>
<b>Forced Labor</b>	Not applicable	Forced labor is prohibited
<b>Freedom of Association and Collective Bargaining</b>	Trade Union Act	The Company recognizes employee rights to establish or join Labor Union and also support employees to participate in Union activities
<b>Harassment and Discrimination</b>	<ul style="list-style-type: none"> <li>• Corporate Code of Conduct</li> <li>• Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</li> </ul>	We follow Corporate Code of Conduct includes: integrity, diversity, anti- harassment and zero tolerance to discrimination

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• Factories Act, 1948</li> <li>• Safety Operating System as per GFPS</li> </ul>	To ensure health and safety conditions in the plant we have: <ul style="list-style-type: none"> <li>• 24/7 Medical center operations with physician and paramedical staff</li> <li>• SOS standards to drive safety activities</li> <li>• Promote health of employees through awareness programs, workshops and training programs</li> </ul>
<b>Work Hours</b>	Factories Act, 1948	Overtime working hours approval from Director of Industrial Health & Safety
<b>Where are these documents housed?</b>		
<ul style="list-style-type: none"> <li>• Policies are stored in life@ford portal and employees have access to these policies</li> <li>• Internal and external approved documents are stored in HR network drive</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.
- Within your community, are you aware of or have noticed any human trafficking activity? If so, please describe.  
No.
  - 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.
  - 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.
  - 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.

## 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>No specific local law</li> <li>Community Service Leave Policy</li> </ul>	<ul style="list-style-type: none"> <li>Leave policy covers the community service leaves. The leave management IT system has a provision to apply community service leave as one of the option for the employee</li> </ul>
<b>Bribery and Corruption</b>	Standards of Corporate Conduct	<ul style="list-style-type: none"> <li>Include the Code of Conduct in Orientation training for new hires</li> <li>Request employees to disclose family members relationship and financial interests if any</li> <li>Remind employees to take online mandatory training courses</li> </ul>
<b>Environment and Sustainability</b>	<ul style="list-style-type: none"> <li>ISO-14001</li> <li>Environment Operating System as per Global FPS</li> </ul>	Follow standards of ISO-14001 and EOS
<b>Where are these documents housed?</b>		
<ul style="list-style-type: none"> <li>Policy documents are available in life@ford portal and employees have access to the site</li> <li>Code of conduct handbook is available in the corporate intranet site.</li> <li>Salaried employees uses corporate IT tool to disclose family members relationship and financial interests if any. Hourly employees declare through hard copy forms and they are stored in the personal files for each employee. The personal records are stored in the site record room</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?

We have a range of CSR activities throughout the year aligned with Global policies and local strategic priorities. At Chennai, Ford India has developed strategic plans to implement CSR activities which includes Road Safety, Digital literacy, Happy Schools, and Environment, some of the activities are:

- Tree plantation
- Avoid usage of plastic
- Infrastructure facilities for schools
- Workshop for rural women development
- Computers donations
- Support to old age homes

- 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.*
  - Yearly targets based on business priorities on Environment

- Implemented waste water treatment and management with daily process control.
- Re-use waste water for flushing in toilet and plant watering.
- Using rain water (grey water) for fire fighter system

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

We currently do not have issues related to water contribution to the health of staff, operations and the community. Drinking water processing is very well process controlled

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?

CVAEP implemented and maintains an effective environmental management system which complies with Ford Production System and local regulations. The plant received GREEN AWARD from Government of Tamil Nadu for being environmentally friendly. The plant also obtained ISO 14001:2015 certification and this year successfully passed through the surveillance audit without any major non-conformance.

### **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?

Chennai plant, evaluates its continuous improvement in many aspects through Ford Production Systems. Employees participate in continuous improvement initiatives such as Kaizen and plant wide competitions for quality improvement ideas. Our management reviews all the FPS element metrics regularly and guides teams for improvements.

### **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)?

It is very important to respect and reinforce the diverse culture as well as recognize good examples of One Ford behavior demonstration. To do this, we need strong support from management and high commitment from all employees. We also commit to bring new employees onboard with required understanding level of our policies.

2. Any words of wisdom/advice?