

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

Date	13.10.2016
Location /Facility	Ford Otosan

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?

Organizing an excellent business model and generating sustainable value are two cardinal objectives of our strategic business model. When forming our business strategies, we aim at developing an efficient approach of sustainable value generation. In that vein, we prioritize aspects which has an impact on our company activities, such as human rights, working condition, community engagement and indigenous populations, bribery and corruption, environment and sustainability, responsibility and Implementation. We monitor compliance to various procedures and regulations and ensure the conduct for these aspects, as well as we report them through appropriate communication channels.

Policies which we employ for the conduct and the monitoring of practices regarding human rights subjects listed in our Priority Portfolio, are in accordance with Ford Policy Letter No.24 and there is no adverse regulation. We oversee compliance of all our practices to human rights management models of our principal shareholders, Koç Holding and Ford Motor Company.

** Ford Otosan Value Chain and Sustainability Priorities: 2015 Ford Otosan Sustainability Report: <http://www.fordotosan.com.tr/en/Sustainability.htm>*

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?

All our practices cover operational objectives of Policy 24. Outputs/results of all our practices are reviewed by internal and independent auditing responsables, hence risks and opportunities are defined. We frequently monitor all aspects which require improvement and every operation is updated accordingly. In this context, practices to be improved are always on our hot agenda.

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?

Our HR vision, structured by the legacies of Koç Holding and Ford Motor Company, is to position Ford Otosan as a workplace of choice with the highest rate of employee engagement through sustainable and innovative HR practices. Thus, we provide our employee with an inclusive workplace supporting high performance, development oriented, based on equal opportunities, respecting diversity and ethical values. We manage our human rights approach in line with Ford Otosan Code of Conduct, HR Policy and Procedures, ethical rules and UN Global Compact of which Koç Holding is a signatory party; and we aim 100% compliance. We evaluate our procedures every year and reformulate if needed.

We accept human rights as a continuous improvement fields and we act according to short term, mid-term and long term objectives that we defined. For our employee, we offer a fair work-life where all their rights are assured, equality is praised and all legal and corporate working conditions are provided. For instance, we work for avoiding gender discrimination and support female employment. We believe that economic growth and social stability can be restored only by this way. We avoid gender discrimination and inappropriate behaviors in all our human resources processes starting by recruitment in line with our positive discrimination for women approach. By September 2016, we became the first automotive company certified with Association of Equal Opportunity Model Certificate given by Female Entrepreneurs (KAGİDER). KAGİDER is one of the most important and recognized initiatives regarding gender equality in Turkey.

Likewise; we facilitate recruitment of disabled employee through innovations in our process design, and work for supporting employability of disabled individuals. Thanks to the practices we launched in previous terms for fitting our workplace to be suitable for employment of disabled individuals, we have a total of 291 disabled employee – 21 females and 270 males, working in our facilities. 283 of these employee work in the field while 8 of them perform in office functions. Kocaeli Factory entitled to “Employing Excess Disabled Worker Award” by the Ministry of Labor and Social Security, Employment Agency Provincial Directorate for the fourth consecutive time. 100% Disabled People Friendly Factory Project that we conducted in Yeniköy Factory, has been granted Grand Prize in traditional Corporate Social Responsibility Organization of Turkish Confederation of Employer Associations by fulfilling all criteria namely inclusiveness, impactfulness, best practice, innovativeness and sustainability.

We expect our suppliers and business partners to adopt similar approaches regarding human rights and act in accordance with our principles. For this reason, we clarify our principles in our service and investment contracts concluded with suppliers and business partners and ensure compliance to these.

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

Subjects such as occupational health and safety, protecting human rights in the workplace and talent management, which we manage under human resources function, are periodically included to Ford Otosan Top Management Agenda; and strategic approaches regarding these subjects are defined by the Top Management. HR Directorate, respective departments

and committees are responsible for the conduct of the management level decisions in line with human rights at the workplace. Frameworks to be followed in this process are Ford Otosan Code of Conduct, HR Policy and Procedures, ethical rules and UN Global Compact of which Koç Holding is a signatory party.

Practices are monitored and audited by Human Resources Directorate, Exceptional Case Management Committee, OHS Committee and Internal Audit Organization through various communication and auditing mechanisms. Besides internal audit practices, our activities are supervised and audited in various intervals by external organizations such as Koç Holding, Ford Motor Company, independent audit firms, Ministry of Finance, Ministry of Labor and Social Security.

For our business ethics approach, Ford Otosan Code of Conduct is the guidance document binding for all our employee. All Ford Otosan employee and executives are responsible with abiding by these principles, orienting and warning their co-workers and notifying relevant corporate bodies in case of a violation. Company employee of all levels are informed regarding Ford Otosan Code of Conduct. Following each informing process, a control test is implemented online in order to ensure that the principles are understood correctly. Until success is achieved, the informing and testing process continues. Newly recruited employee declare that they have read and accepted Ford Otosan Code of Conduct during the orientation program. All company employee also need to pass the Code of Conduct Control Test every year. In this way, all Ford Otosan employee and managers are informed regarding business ethics principles and the freshness of their information is ensured.

Besides all, our employee, there are grievance mechanisms established, to which our employee may address in case of any doubt that they might be undergone to a human right abuse and we evaluate all grievances meticulously. Individuals, who have a suspicion of an exceptional case, should report this in written or by e-mail to whoever they find suitable between their first line manager, related Vice General Manager, Human Resources Manager, Human resources Director, Internal Audit Manager, Legal Affairs Manager, Vice General Manager of Financial Affairs, Deputy General Manager or the General Manager. Identity information of the reporting individual is kept confidential. It is crucial and necessary that reporters declare their names for precision and the success of the investigation to be made. Individuals may report a suspicious case anonymously as well. Company avoids all hostile acts against individuals who report in line with this procedure or who contribute investigations and does not tolerate this kind of acts. Employee who are subject to such acts may contact with Exceptional Case Management Committee.*

**Exceptional Case Management Committee: The committee which is composed of Human Resources Director, Internal Audit Director and Legal Affairs Manager.*

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

Subjects of human rights in the workplace are substantial parts of our risk management system. Risks regarding these subjects are evaluated through internal control, independent audits and public audits.

At this point, we would like to share examples of improvements in occupational health and safety risk factors which we conduct under the framework of human rights in the workplace. Through Ford Otosan Occupational Health and Safety Policy, we commit to define occupational health and safety risks, set objectives and programs regarding these risks, continuously review the practice and the performance. We manage our OHS practices through processes designed in accordance with Ford Standards and OHSAS 18001 Occupational Health and Safety System Standard. We follow Ford Global Health and Safety Management System and Ford SOS System for OHS processes regarding company employee, while we adopt Contractor Safety Management System for the processes regarding contractor employee.

Avoiding accidents and losses at Ford Otosan, is direct and shared responsibility of both management and employee. In that vein, occupational health and safety works are managed with an understanding of responsibility that reaches to employee of all levels starting with the executive management. There is a senior executive responsible for monitoring occupational health and safety practices and performance. The strategic orientations identified by Top Management are transformed into field practices by Occupational Health and Safety Emergency Coordination Directorate managers and experts performing at facilities and performance results are monitored. At our facilities, there are committees composed of OHS experts, related executives and employee representatives where OHS practices are discussed and binding decisions are taken. As of 2016, 3 OHS Committees with 61 members, 6 of which are employee representatives, are functioning at our facilities. By periodical control and information studies, efficiency of OHS processes is ensured and risk factors are reduced.

4. How is your facility monitoring human rights risks?

Risks related to human rights at the workplace are integrated to our human resources management and risk management systems. In that vein, we employ various intra-company and extra-company mechanisms in order to monitor human right risks in our company and receive feedbacks. For example: informal/formal intra-company grievance mechanisms, Open Door Meetings which are organized bi-annually with the participation of whole company, performance meetings held bi-annually between employee and their direct manager, Skip Level Meetings between employee and their 2 level superior manager, employee engagement survey, attachment survey, exit interviews, communication practices, internal audit process, independent and public audits. Human Resources Directorate, Exceptional Case Management Committee, OHS Committee and Internal Organization are responsible for the management of all these risk monitoring processes.

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

In order to maintain efficient conduct of human rights at workplace practices, we employ control and monitoring through internal and external auditing mechanisms. If an

inconvenient situation is identified, relevant units and committees evaluate and resolve the situation in line with procedures, ethical rules and legal regulations.

All relevant parts including the people who are affected from the decisions which are made by committees or audits are informed on time.

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 signed Equality at Work Declaration, an extensive initiative for combatting gender inequalities, developed by Equality at Work Platform with leadership of Republic of Turkey, Ministry of Family and Social Policies in cooperation with World Economic Forum.

In this context we commit and abide to respect human rights and treat all employee in line with equality principle. Moreover, through UN Global Compact, we commit to support and respect proclaimed human rights and not to be complicit in human rights abuses.

In our workplace, harassment, violence or discrimination are not tolerated; in case of occurrence, Disciplinary Committee investigates and rules to sanctions to the extent of terminal suspension of employee. All managers are informed and aware of these issues.

Zero tolerance shown against such cases. Continuous refresher trainings and development practices are organized across the organization in order to maintain continuous development in related fields.

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"> • United Nations Global Compact • Ford Otosan Code of Conduct • Turkish Labor Law No.4857 	<ul style="list-style-type: none"> • All methodologies, procedures, regulations followed in activities regarding prior issues for all our operations such as Child Labor, Compensation, Forced Labor, Freedom of Association and Collective Bargaining, Harassment and Discrimination, Work Hours, Health and Safety, are subject to audits conducted by internal and external mechanisms. • For all procedures, compliance is monitored by different mechanisms. Principal audit mechanisms are: Investigators from related ministries, Koç Holding auditors, 3rd party certified independent audit firms (OHSAS, etc), Buereveritas audit and GAO Audits by Ford Motor Company. Moreover, our practices are subject to internal audit mechanisms and Ford's audits.
Compensation	<ul style="list-style-type: none"> • Turkish Labor Law No.4857 • MESS – Turkish Metal Trade Union Group Collective Bargaining Agreement (for hourly compensation) • GPREN-26_0 Compensation (Monthly Salaried Employee) Procedure • Remuneration Policy for Board Members and Senior Executives 	
Forced Labor	<ul style="list-style-type: none"> • Turkish Labor Law No.4857 • Ford Otosan Code of Conduct • MESS – Turkish Metal Trade Union Group Collective Bargaining Agreement • Recruitment Procedure • United Nations Global Compact • ISO 9001 Quality Management System 	
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> • Turkish Labor Law No.4857 • Ford Otosan Code of Conduct • MESS – Turkish Metal Trade Union Group Collective Bargaining Agreement • United Nations Global Compact • ISO 9001 Quality Management System 	
Harassment and Discrimination	<ul style="list-style-type: none"> • Turkish Labor Law No.4857 • Ford Otosan Code of Conduct • MESS – Turkish Metal Trade Union Group Collective Bargaining Agreement • United Nations Global Compact • Equality at Workplace Declaration • Recruitment Policy • ISO 9001 Quality Management System 	

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Health and Safety	<ul style="list-style-type: none"> • OHS Law No.6331 • TS OSAS 18001 Standard • Ford Otosan OHS Policy • ISO 9001 Quality Management System 	
Work Hours	<ul style="list-style-type: none"> • Turkish Labor Law No.4857 • Ford Otosan Code of Conduct • MESS – Turkish Metal Trade Union Group Collective Bargaining Agreement • ISO 9001 Quality Management System 	
Where are these documents housed?		

- United Nations Global Compact:
Koç Holding's website:
<http://www.koc.com.tr/en-us/corporate-social-responsibility/global-compact>

- MESS – Turkish Metal Trade Union Group Collective Bargaining Agreement (for hourly compensation):
Housed as printed manual and digital copy in achieves of all related units. (HR office)
Trade Unions' website: <http://www.turkmetal.org.tr/dosya/20122014TIS.pdf>

- GPREN-26_0 Compensation (Monthly Salaried Employee) Procedure:
QDMS reports
HR Office
- Remuneration Policy for Board Members and Senior Executives:
QDMS reports
HR office
- Turkish Labor Law No.4857:
Housed as printed manual and digital copy in achieves of all related units. (HR office)
Turkish General Assembly's web site: <https://www.tbmm.gov.tr/kanunlar/k4857.html>
- Ford Otosan Code of Conduct:
Company's web site: <http://www.fordotosan.com.tr/en/Policies.htm>
HR office
- Recruitment Procedure:
QDMS reports and HR office
- Equality at Work:
HR office
- OHS Law No.6331:
HR office
Government's web site: <http://www.resmigazete.gov.tr/eskiler/2012/06/20120630-1.htm>
- TS OSAS 18001 Standard:
HR office
- Ford Otosan OHS Policy:
Company's web site: <http://www.fordotosan.com.tr/en/Policies.htm>

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 human trafficking activity has been detected during internal audits and 3rd party audits. We do not compromise in this subject, on the contrary we enable preventive measures against human trafficking.

Our company's measures against international freight crimes depend on Secure Supply Chain activities launched by Koç Holding in 2013. Our company has actively participated in Koç Holding's Secure Supply Chain activities. Compliance to the Koç Holding Supply Chain Regulations is audited by Koç Holding Audit Group. As a result of studies conducted in 2014, Ford Otosan launched security seal practice in international shipping. Deficiencies of security cameras in our perimeter security network and cargo handling zones throughout the company have been eliminated.

In parallel to these practices, in Turkey, Ministry of Customs and Trade launched the practice of Authorized Economic Operator (AEO) in 2013. This is an international status that grants easier terms and privileges in international trade for reliable companies which are authorized economic operators, are fulfilling customs obligations, have a systematical and traceable registry system, have financial capability, hold security and safety standards and may performs their own self-control. Ford Otosan entitled to this certificate in January 2016 as a result of on-site inspection which was focused on analyzing almost all company processes and conducted by ministry inspectors. In this vein, our international trade operations will be subject to less government audit, our processes will be faster but government will be auditing our self-control mechanisms. When considered from this point of view, we will continue these efforts in a lively system cycle. AEO is a status also owned by Ford of Europe. This status has a broad perspective from international trafficking to the conduct of internal company processes in line with procedures and instructions, and even to the audit of active manufacturing and logistics suppliers through our operations and it also means that verification of reliability of companies which own this status.

- 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?

Ford Otosan is one of the EMEA region companies (Romania, South Africa, Russia, Morocco and Turkey), which are audited by Ford Motor Company. Ford Otosan reports list of manufacturer/suppliers (by evaluating in line with Ford Motor Company criteria), which the company finds crucial to include them to the “working conditions and environmental audits”, to EMEA Region Audit Coordination Team. In joint action plan of this team and Ford Otosan Procurement Unit, manufacturers/suppliers are audited by third party independent firms. No case of human trafficking has been encountered in manufacturer/supplier operations which were subjected to the “working conditions and environmental audits”.

- 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?

During Ford Otosan recruitment processes, we neither compromise nor go out of the scope of our procedures and legal frameworks. Occurrence of unethical approaches such as recruitment against money is not even a matter of question and yet, no such case of practice has been encountered during our audits.

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"> • Information Policy • Sustainability Report • Annual Report 	Sustainability Reports (GRI Approved) and Annual Reports are regularly published. Information Policy is updated and published. Coherence in our processes is controlled by our internal audit structure, independent audit organizations and Bureau Veritas
Bribery and Corruption	<ul style="list-style-type: none"> • Anti-Corruption Policy • United Nations Global Compact 	Coherence in our processes is controlled by our internal audit structure, independent audit organizations and Bureau Veritas

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Environment and Sustainability	<ul style="list-style-type: none"> • United Nations Global Compact • Ford Otosan Environmental and Energy Policy • Ford Motor Company Environmental Policy Letter No.17 Environmental Compliance Index- ECI • Ford Global Environmental Management System • Koç Group Environmental Policy • ISO 14001 Environmental Management Standard • ISO 9001 Quality Management System • ISO 10002 Customer Satisfaction Management Standard • ISO 14064 Greenhouse Gas Emissions Quantification and Verification Standard • ISO 50001 Energy Management Standard • ISO 27001 Data Security Management Standard • Koç Group Climate Change Strategy 	<p>Our experts continuously monitor changes in environmental regulations and related laws and acts proactively in order to comply our practices with changing circumstances.</p> <p>Environmental Compliance Index- ECI is monitored as one of the metrics in our scorecard. Our environmental and energy management scheme is designed in line with ISO14001 Environmental Management System Standard, ISO 14064 Greenhouse Gas Emissions Quantification and Verification System Standard and ISO 50001 Energy Management System Standard requirements. Management scheme incurred has been structured in Ford Otosan Environmental and Energy Management Manual and Management of Greenhouse Gas Emissions ISO 14064 Manual; and has been submitted for employee' information. In addition to ISO 14001 Environmental Management System, Ford Global Environmental Management System (EOS) has also been employed.</p> <p>Compliance and certification of management standards that we adopt such as ISO 14001, ISO 50001 and ISO 14064 (certification with emissions quantification studies which refer to IPCC Guidelines) though independent audits conducted. Besides independent external audits, teams coming from abroad conducts audits within the context of EOS Environmental Management System. Moreover, ISO 14001, ISO 50001, ISO 14064 management system standards a re subject to annual internal audit and to environmental audits conducted by Koç Holding once every two years. Achieved performance outcomes are reported to the Top Management through monthly reports, to Ford Motor Company through Ford Global Emission Management Database, to Koç Holding through annual reports, and to all our stakeholders through sustainability reports.</p>
Where are these documents housed?		

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
-	United Nations Global Compact: Koç Holding's website: http://www.koc.com.tr/en-us/corporate-social-responsibility/global-compact	
-	Sustainability Report: Company's website: http://www.fordotosan.com.tr/en/Sustainability.htm	
-	Annual Report: Company's website: http://www.fordotosan.com.tr/en/annual-reports.htm	
-	Anti-Corruption Policy: Company's website: http://www.fordotosan.com.tr/en/Policies.htm HR office	
-	Ford Otosan Environment and Energy Policy: Maintenance and Environment Directorate Office Company's website: http://www.fordotosan.com.tr/en/Policies.htm	
-	Ford Motor Company Environmental Policy Letter No.17: Maintenance and Environment Directorate Office	
-	Koç Group Environmental Policy: Maintenance and Environment Directorate Office Koç Holding's website: http://www.koc.com.tr/en-us/corporate-social-responsibility/environmentally-friendly-practices/climate-change-and-emissions-management	
-	Koç Group Climate Change Strategy: Maintenance and Environment Directorate Office Koç Holding's website: http://www.koc.com.tr/en-us/corporate-social-responsibility/environmentally-friendly-practices/climate-change-and-emissions-management	
-	ISO 14001 Environmental Management Standard, ISO 9001 Quality Management System, ISO 10002 Customer Satisfaction Management Standard, ISO 14064 Greenhouse Gas Emissions Quantification and Verification Standard, ISO 50001 Energy Management Standard, ISO 27001 Data Security Management Standard: QDMS Maintenance and Environment Directorate Office	

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?

Establishing a transparent, accountable and responsible relationship based on trust with our stakeholders, developing methods to learn about their views and suggestions form important components of our robust governance structure. Accordingly, we inform stakeholders regarding our activities and performance results accurately, completely and timely, within the scope generally outlined by Ford Otosan Information Policy. We take into consideration the expectations and characteristics of the relevant stakeholder group when determining the methods and frequency of communication with our stakeholders. We cooperate and conduct joint studies with stakeholder groups with whom we meet around common principles and goals. In this regard, we act together with non-governmental organization organizations that we regard as a driving force in the solution of professional and social development issues. We contribute to the solution of social problems by becoming members of institutions active in occupational and professional fields, taking part in their management or in working groups. Moreover, by maintaining long-lasting relations with local authorities around our facilities, we conduct practices for supporting employment of local people and offering solutions to the social problems in the region.

You may find the list of NGOs that we are in cooperation from our sustainability report:

http://www.fordotosan.com.tr/downloads/surdurulebilirlik/FORD_OTOSAN_SUSTAINABILITY_REPORT_2015.pdf

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.*

Today, water confronts us as a major environmental issue alongside energy and climate. Particularly considering that the need for clean water resources will increase in relation to the increasing population in upcoming periods, the efficient use of water resources is a matter both of responsible corporate citizenship and of prudent management understanding. In that vein, as Ford Otosan, we primarily strive to reduce our water consumption amount and in parallel to reduce our need for fresh water resources by increasing the amount of recycling and reusing.

If should we give various examples of our performance outcomes in 2015 regarding these activities:

We reduced the water consumption per produced vehicle by about 16% as against the previous year, to the level of 3.146 m³/vehicle, through projects we conducted in the reporting period and the scale advantages provided by the increase in our production amount. In parallel, in 2015 we ensured the recovery of 437,159 m³ of water, feeding it back to the production. This way, we have met 29% of our water demand for manufacturing operations during the year with the water we recovered. Practices involving the treatment of wastewater to the maximum extent, recovering and feeding it back to the production have a considerable share in this success. Yet, it is not possible to fully recover the wastewater feeding the treatment process. At wastewater treatment facilities equipped with modern technology that will maximize this rate, we achieve values much lower than the pollution loads determined by discharge licenses in the wastewater that cannot be recovered and we discharge it largely to wastewater channels and a small amount to the natural receiving environment. For instance, we instantly monitor the pH and COD values of the water leaving our wastewater facilities prior to discharge through an automation system and we cease discharge the moment a value over the legal limit occurs, feeding the wastewater back to the treatment facility and ensuring its treatment. In 2015, we have discharged 331,385 m³ of wastewater after reducing their pollution loads below the limits determined by licenses. Following the success, we achieved in water management performance in 2015, we will continue our improvement studies in upcoming periods. Our general target in this direction is to reduce the amount of fresh water used per vehicle produced by 2% in the forthcoming period.

Source: 2015 Ford Otosan Sustainability Report:
<http://www.fordotosan.com.tr/en/Sustainability.htm>

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

Our employees have awareness on water risks such as water scarcity, food safety, energy safety, tackling poverty (lack of enough access to the water, even if it is accessible, lack of hygiene conditions), increase of water associated health issues, un-sustainable economic growth, climate change and loss of biodiversity. One of the metrics we monitor in line with this awareness and our Environmental Management System is water withdrawal. All production units in the Factory have water withdrawal targets; and they monitor water use accordingly. Every year various projects conducted in order to reduce water use compared to the previous year's values. Besides, water resources are evaluated not only by volume and quality but also in terms of the risks emerged. Sustainable use of water is an important aspect for employees, people living in the neighbouring communities, production processes, nature and biodiversity. Water related practices and information regarding

metrics have been disclosed in sustainability reports.

http://www.fordotosan.com.tr/downloads/surdurulebilirlik/FORD_OTOSAN_SUSTAINABILITI_REPORT_2015.pdf

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?

Our environmental management understanding is based on principles stated in Ford Otosan Environment and Energy Policy. This policy, compatible with Koç Holding Environment Policy, company targets, conditions of Ford Motor Company Environmental Policy Letter No.17 and international standards, is binding for all our operations. On the other hand, we expect our suppliers, contractors and other related business partners to display in their operations behaviors compatible with Ford Otosan Environment and Energy Policy. Our environmental and energy management systematic was designed according to the requirements of ISO 14001 Environmental Management System Standard, ISO 14064 Greenhouse Gas Emissions Quantification and Verification System Standard and ISO 50001 Energy Management System Standard. Management scheme incurred has been structured in Ford Otosan Environmental and Energy Management Manual and Management of Greenhouse Gas Emissions ISO 14064 Manual; and has been submitted for employee' information. In addition to ISO 14001 Environmental Management System, Ford Global Environmental Management System (EOS) has also been employed. Through this system, the principles that we need to follow, the works we need to implement, legal requirements we need to comply with and standard guidelines in the performance areas formed in accordance with our strategic plans are evaluated and transformed into business targets for various periods, ranging from monthly plans to the 5-year strategic plan. These business targets are disseminated throughout individual performance targets within a hierarchy reaching from the executive management to all relevant employee, they are also accepted as part of the remuneration system.

Ford Otosan defines energy use, greenhouse gas emissions and air emissions as major impacts as well as water use, wastewater discharge, responsible material use, waste management. All established objectives refer to quantitative data. All our facilities in 5 locations, namely Gölcük Factory, Yeniköy Factory, İnönü Factory, Sancaktepe Spare Part Distribution Center and Sancaktepe R&D Center, have been certified with ISO 14001.

Source: 2015 Ford Otosan Sustainability Report:

<http://www.fordotosan.com.tr/en/Sustainability.htm>

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?

As Ford Otosan, we will continue to generate value for our company, stakeholders and country in line with our vision "being most valuable and most preferred company in Turkey". Protection and Empowerment of Human Rights, Basic Working Conditions and Corporate Responsibility which are in the scope of Policy Letter 24 is vital for fulfilling our vision. For this reason, we aim excellence by maintaining continuous improvement in these fields. Internal and external auditing mechanisms monitor conformity of our processes. We take issues occurring as the result of these audits as opportunities and conduct continuous improvement studies.

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)?

Within the scope of community benefit; we consider gender equality and vocational education as major development fields.

We approach all our employee in line with equality principle. In this vein, through activities we conduct with regard to Equality at Work Declaration that we signed in 2013, we continue generating value for Ford Otosan employee both in individual and social sense. By combating gender inequalities, in all intra-company activities including recruitment processes we highlight equal treatment to females and males. We strive to set industry-wide adopted examples by our endeavors for empowering women in business. In accordance with our policy of positive discrimination in employment that was implemented in 2015, we aimed in our white-collar recruitments for 1 in every 2 employee and in our blue-collar recruitments for 1 in 4 employee to be a female. Our performance that was monitored by the executive management was realized as 36% in the first year. We plan to continue our works in the direction of the same target in the forthcoming period.

The development of vocational education constitutes an important component of combating against unemployment by leading to an increase in qualified workforce and employability. In this regard, we provided support for the Specialized Vocational Centers Projects and employment for 310 people who were trained in their professional specialization as part of the project. Non-governmental organization provides an important impetus in the resolution of every developmental problem, whether professional or societal. This synergy formed around nongovernmental organizations renders development, which is hard to achieve individually or at corporate level, possible. For this reason, we act together with nongovernmental organizations active in several fields. We participate in studies for producing solutions especially by becoming members of technical and professional institutions, taking part in their management or in working groups. In 2015, we brought together Kocaeli University Ford

Otosan Ihsaniye Vocational School of Higher Education and Ford Otosan Vocational Training Academy to sign a cooperation protocol within the framework of Business Oriented Vocational Education Model. As part of the protocol, works are carried out, such as forming and updating curriculums, developing and implementing joint vocational training programs, internship mobility, organizing seminars, participation to in-plant workshop practices, developing vocationally directed projects. As the last stage of our approach, we recruit individuals who have completed these trainings for available positions in our company.

2. Any words of wisdom/advice?

As Ford Otosan Family, since our foundation in 1959; we continue to generate value with passion for our country and customers that we shift to the global scale. We fervently work for becoming an exemplary company not only with our commercial and financial performance, but also with our environmental management principles and practices, our approach to our workforce and our innovation capacity.

We conduct all our activities in such a manner that supports sustainable development of the community, contributes to social welfare and takes needs of the future generations to forefront.