

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

Date	September, 5, 2013
Location / Facility	Elabuga Plant / Ford Sollers, Russia

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?

In our opinion the greatest value of conducting human rights assessment is to check if the policy is followed, if human rights upheld. Our employees have to know that we care about their rights, as the most important thing.

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 are trying to eliminate a possibility of any non-compliance at Elabuga Plant.
It is not anticipated there will be any strong reaction either positive or negative to the assessments.***

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 Elabuga Plant means an aspiration to provide such safe conditions in which employees can feel support and be sure that there is no discrimination or harassment.

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

An important element of preservation of human rights is the adhering to corporate policy and government laws, which are monitored by means of the hotline or feedback-boxes, placed in shops and departments, where employees can leave their complaints and suggestions.

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

We respond to the complaints and suggestions of employees left in feedback-boxes, we organize Insight into the Code of Corporate Conduct during induction course. The Engagement survey within the entire JV is a good opportunity for employees to express their opinion about different aspects of their employment. Subsequent to the results of GAO Audit two noncompliances were identified, which are remediated now.

4. How is your facility monitoring human rights risks?

HR team and Plant Leadership are responsible for resolving employees concerns arising from the surveys or from other sources, such as hotline or feedback-boxes, the communications regarding employees related issues are in place.

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

If there is any risk of non-compliance to human rights it should be checked by HR or OGC, Internal Control. If non-compliance is identified, the proper measure is taken and administered through corporate policy.

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 appreciate our employees and their opinion, so we long to create such conditions in which employees can feel support, upholding the policy and consequently raise a level higher.

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"> • Russian Federation Labor Code 	<ul style="list-style-type: none"> • In compliance with the Russian Federation Labor Code, child labor is specifically prohibited. Individuals under 16 cannot be employed on a full-time basis.
Compensation	<ul style="list-style-type: none"> • Russian Federation Law (minimum statutory monthly wage) 	<ul style="list-style-type: none"> • Salaried/hourly employee compensation if developed by the Compensation Office in the HR Organization using competitive analysis and a pay for performance philosophy for the annual compensation plan.
Forced Labor	<ul style="list-style-type: none"> • Russian Federation Labor Law 	<ul style="list-style-type: none"> • Forced labor is prohibited, Ford Sollers is an at will employer; employees can leave the company at any time for any reason.
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> • Russian Federation Labor Law 	<p>In line with Basic Working Conditions Russian Law provides employees with the right to associate with other employees, including the right to establish trade unions and join the same in order to represent their employment rights and lawful interests, to share in managing the organization through collective bargaining agreement or by other forms (i.e. representative body of employees), to engage in collective bargaining etc.</p>

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Harassment and Discrimination	<ul style="list-style-type: none"> • Russian Federation Labor Law • Company Directive B-110: Anti-Harassment 	<ul style="list-style-type: none"> • In line with corporate policies, Elabuga facility takes a zero-tolerance approach related to harassment and discrimination. • Labor Code and Collective Agreement positions: No one may be restricted in their employment rights and freedoms or enjoy any privileges, as a result of their gender, race, skin color, ethnic status, language, origins, property status, social standing, origins, age, place of residence, attitude to religion, political convictions, affiliation and non-affiliation with legal associations and other. • Complaints can be directed to HR, the Personnel Hotline or feedback-boxes for investigation or escalated to the OGC office for further investigation.
Health and Safety	<ul style="list-style-type: none"> • Applicable OSH Standards • Administration Guidelines Safety Operating System (SOS) 	<ul style="list-style-type: none"> • All Health and Safety processes are governed by the federal legal requirements and SOS process. Shop floor level, Plant and Executive reviews take place on a regular basis.
Work Hours	<ul style="list-style-type: none"> • Russian Federation Labor Code • Plant Employee Hand book 	<ul style="list-style-type: none"> • Elabuga Plant fully complies with the Labor Code of the Russian Federation which specifies hours of work (40 per week for majority of working places), together with applicable overtime and shift premium.
Where are these documents housed?		
<ul style="list-style-type: none"> • Employee related details are maintained on personnel files for both salaried and hourly employees. Kept within Records department of Human Resources. • Salaried salary ranges and wage structure is maintained by Compensation and Benefits within the Human Resources structure. • Collective bargaining documents and agreements are maintained by Employee Relations within the Human Resources structure. • Hourly wage rates and structure are maintained in the collective bargaining agreements and kept within the Employee Relations. • Employee hotline records are maintained by the Personnel Relations. • Human Resources Policies and Procedures are documented and kept on the shared drive. • Ford Corporate Directives and Policies are stored on the Ford Legal Access SharePoint Site. 		

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.

We haven't noticed any human trafficking activity in the community. We are not aware of cases reported or observed.

- 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?

We are not aware of any suppliers or businesses we interact with that are suspected or have been found to engage in any kind of activities of human trafficking.

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"> • Policy Letter 24 	<ul style="list-style-type: none"> • We work in association with the Administrations of Elabuga, Naberezhnye Chelny, according to the location of the plant. We take part in the Community initiatives helping local orphanages with arranging events for children, collecting charity, providing community transport for schools’ and veterans’ events. • There are no legally constituted Indigenous Populations in the area where the Plant located. However, we use fair employment practices and employ people with diverse backgrounds.
Bribery and Corruption	<ul style="list-style-type: none"> • Policy Letter 3: Standards of Corporate Conduct 	<ul style="list-style-type: none"> • Annual financial disclosure declaration • Annual recertification of Standards of Corporate Conduct Training
Environment and Sustainability	<ul style="list-style-type: none"> • Policy Letter 17: Protecting Health and the Environment • Federal Environmental protection regulations • Ford EOS standards 	<ul style="list-style-type: none"> • Elabuga Plant follows the Environmental Operating System requirements. • Plant representatives conduct environmental roll-ups to ensure that we are in compliance of environmental issues.
Where are these documents housed?		
<ul style="list-style-type: none"> • Ford Corporate Directives and Policies are stored on the Ford Legal Access SharePoint Site. • All Plant Environmental policies and procedures are stored at the shared drive. • Environmental issues are also contained in the Safety and Environmental 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?

There is no community or population we regularly engage with, except governmental organization

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.

The source of utility and drinking water supply system, industrial water supply, fire-water supply for our plant is Municipal Unitary Enterprise.

- 1. In order to reduce costs on utility effluent there are water metering units installed on the pipelines of influent water into the recycling water supply treatment system of the Body shop and Air conditioners of Body shop, i.e. water at the plant is metering on each assembly, that allows to meter evaporant water, to reduce costs on utility effluent.**
- 2. Overlapping of cooling towers diffusers by polyethylene film for winter cut losses of chemically purified water drastically. And at the same time cooling degree of water remains invariable.**
- 3. In front of chief users' equipment there are additional water-meters set up for technical management.**
- 4. Today on some waterline inlets substitution of ultrasonic water-meters by high-quality accuracy water-meters in progress, that reduces water consumption.**

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

As drinking water we use bottled water. For process needs of Paint shop and Body shop additional water cleaning stations are used. For wash-sinks and showers we prepare hot water ourselves. To the end of the year we are planning to bring new-installed metering unit on water-pipeline inlet into operation. By implementing this and other water projects (additional equipment and new water meters) we are going to gain the reduction of water consumption and cost.

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?

Environment regulatory documents (air, waste products) are developed, and information for their updating is being collected due to the start-up of new shop floors. Preparations for certification of environmental management system for compliance with standards ISO 14001 are under way (designation of responsables, development of additional procedures etc.), the audit is scheduled for November 2013.

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?

Employee's awareness through the regular policy trainings.

Engagement surveys.

Environmental impact improving projects.

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)?

JV website – the link to the policy (both in Russian and English) could be recommended for consideration to be displayed on the main page with option to leave the feedback.

Corporate best practices of using the policy and best examples of informal communication would be very much appreciated.

2. Any words of wisdom/advice?

Without employees being involved and well informed in the policies the company can't get social sustainability and ability of operations to achieve the business objectives. Lack of knowledge may cause some politics to be violated because of ignorance.