

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

Date	9/19/2017
Location / Facility	CHEP-Chihuahua Engine Plant
Respondent	
Phone Number	
CDSID	

Perception and Understanding of Code

- In your opinion, what is the greatest value-add of conducting human rights assessments at Ford's owned and operated facilities?
 - Creating a new mind set
 - Employees with greater values
 - Fostering and developing diversity
 - It simply makes us one of the best companies to work in, in Mexico
 - Excellent opinion regarding the Company in the community
 - Government recognition
- 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 believe that leadership and employees will find value in all the information regarding equality and health & safety and the overall assurance that practices are in place to reinforce the code.

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.

- In your opinion, what does upholding human rights mean to your facility?

It is important to follow the local legislation and to work with community.
- How is the preservation of human rights monitored in your facility?
 - Publish the Ford Policies such as Anti-Harassment / Diversity and Inclusion directive and others
 - POS (People Operating System) – we are following the standards: Meeting 406 – Skip Level with Plant Leadership and Meeting 206 – Labor Steering with Union Representative to monitor employee complaints
 - Bi Annual Hourly and Salaried Pulse Survey
- How is your facility working to reduce human rights risks? Please describe any particular processes or initiatives.
 - Good communication with employees, Union and Local Authorities
 - Skip Level with Employees (HR and OCM)
 - On boarding training with Ford Directives and The Right Way App

- Hourly Pulse
4. How is your facility monitoring human rights risks?
 - Good communication with employees, Union and Local Authorities
 - Skip Level with Employees (HR and OCM)
 - Hourly Pulse
 - Maintain communications with Union
 5. How are you remediating any non-compliance to human rights policies or addressing identified human rights risks?

If there are any cases related to Human Rights, we communicate them to the Employee Relations team in Mexico.

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, Ford Mexico is following the local legislation and Union Contract.

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	Ley Federal del Trabajo (LFT) states: <ul style="list-style-type: none"> • It is prohibited to hire a person under the age of 14 • From 16 up a person can be hired • A person from older than 14 and younger than 16 need their parents/tutors permission to work • No one under 18 can be hired to travel • A person under 16 can't work: <ul style="list-style-type: none"> ○ In dangerous or morally suspicious places (night clubs) ○ After 10 PM ○ More than 6 hour a day ○ Overtime 	<ul style="list-style-type: none"> • Ford CHEP does not hire people under 18 years old
Compensation	<ul style="list-style-type: none"> • Included in the CCT for unionized personnel and followed by HRBO policies for nonunionized 	<ul style="list-style-type: none"> • The compensation is aligned with Local and National Market

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Forced Labor	<ul style="list-style-type: none"> Prohibited in all Mexican Laws 	<ul style="list-style-type: none"> The Current Labor agreement does not accept forced labor Weekly meeting with Union (POS Meeting 206)
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> Mexican Constitution states the freedom of association for all citizens LFT has a whole Chapter dedicated to Collective Bargaining / Unions 	<ul style="list-style-type: none"> All hourly employees are unionized On Boarding process with Union before hiring process Annual meeting after the Union negotiation There is an office to Union Representative inside the Plant
Harassment and Discrimination	<p>Little is said in Mexican Laws regarding harassment and discrimination, though there are two National Commissions in charge of this areas and to which we are committed:</p> <ul style="list-style-type: none"> National Commission to prevent Discrimination (CONAPRED) National Human Rights Commission (CNDH) 	<ul style="list-style-type: none"> Weekly meeting with Union (POS Meeting 206) to discuss employees complains Employees communication about the channels to report harassment
Health and Safety	<ul style="list-style-type: none"> Mexican Health and Safety Legislation 	<ul style="list-style-type: none"> There are many process and meetings to ensure that health and safety process review, based on FPS process Local Ergonomic Meeting (403) PMHV/Pedestrian Safety Committee (404) SPRB (204) Daily Safety Meeting (205)
Work Hours	<p>Ley Federal del Trabajo (LFT) states that:</p> <ul style="list-style-type: none"> The morning shift will last 8 hours, the night shift 7 hours and the mixed one 7.5 The hours can be longer but never exceeding 3 hours and only 3 days a week <ul style="list-style-type: none"> If this happens, overtime has to be paid 	<ul style="list-style-type: none"> Union Agreement Weekly meeting with Union (POS Meeting 206)
Where are these documents housed?		
Up to date documents are housed in-Plant according to GIS. Human Resources (Personnel and Medical Files are kept apart for a 40 year period due to Mexican Laws)		

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

- 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

- 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

- 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

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	Following policy Letter 24 (Code of Human Rights, Basic Working Conditions, and Corporate Responsibility)	We have continuous contact with the community, by planting trees, painting schools or cleaning playgrounds. <ul style="list-style-type: none">• Our main activity is that we have "adopted" an orphanage and every year we spend up to two weeks painting, repairing, spending time with the children and taking food and medicine we gather throughout the year.• Every Christmas we also make a party in which the children come to the Plant and we give them gifts, breakfast and games

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Bribery and Corruption	As more fully provided in Policy Letter No. 3 - Standards of Corporate Conduct, the Company will under no circumstances tolerate the giving or receiving of money, gifts, or favors to influence improperly the behavior of another individual, organization, government employee, politician, or government body in furtherance of a commercial or personal advantage. Bribery is never permitted, even in countries or regions where it may appear to be tolerated or condoned.	<ul style="list-style-type: none"> • Annual Communication with GSR+ employees • Special training with ER supervisors with GSR+ employees
Environment and Sustainability	<ul style="list-style-type: none"> • Following Policy Letter 17 (Protecting Health and the Environment) • Environmental Permits • ISO 14001 standards 	<ul style="list-style-type: none"> • Audit process with Government • Ensuring flexibility in production and complying with all the Mexican regulations related with the matter • ISO 14001 certification
Where are these documents housed?		
Up to date documents are housed in-Plant according to GIS. Human Resources (Personnel and Medical Files are kept apart for a 40 year period due to Mexican Laws)		

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?

Community initiatives:

- We support a Children's Home, where around 40 children and some elderly people live, as follows:
 - Once a year, all the employees at CHEP are invited to help the home by providing them with food, cans, milk, water, etc.
 - Every December, we have an event for celebrating Christmas with these children at CHEP.
 - Every employee that wants to participate has to buy a Christmas gift for the children and give it to them at the celebration that we organize at the plant.
- We also have many family integration events where the employee can share time with his/her family and share with them some of the Ford values:
 - Children Day celebration
 - Mother's Day celebration
 - Take your children to work
- Global Month of Caring
- Monthly employees events with local Community
- Ford Schools at Chihuahua City
- Annual Donation (\$1,000) to 5 key institution in Chihuahua

There are no issues identified with local communities with Ford Chihuahua.

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.*

- Annual decrease of 35% in water usage
- The Environmental Team has a target to reduce water; the plant is using grey water for production and only potable water for humans.

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

Using grey water for production minimizes the impact of our operations on the local water supply.

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?

New installation with natural lights and CHEP III includes new technology to reduce water and oil consumption.

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?

- Maintain good communication with employees and Leadership
- Additionally there are HR service survey to understand the employees complains
- Weekly discussion with Union to understand the employee complaints
- Monthly Skip levels to understand the employee complaints and to deploy the Ford policies

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)?

- Hire the local employees
- Support the local Universities with Ford hiring demands to avoid bringing employees from other regions
- Keep the Month of Care

2. Any words of wisdom/advice?

Keep and sustain Ford social responsibility.