

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

Date	February 21, 2013
Location / Facility	Kansas City Assembly Plant / Claycomo, Missouri

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 my opinion the greatest value-add of conducting the human rights assessment is to ensure that the policies and procedures that we have in place are being followed and adhered to. It is our obligation as Human Resource professionals and Ford employees to ensure that the plant is in compliance with all policies. It also serves as a reminder of how fortunate we are to work for a Global Company that has human rights policies in place.

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?

It is not anticipated that there will be any areas of non-compliance at Kansas City Assembly 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 Kansas City Assembly Plant means providing a working environment in which employees can work safely, without fear of discrimination or harassment by treating employees fairly and equally with respect as governed by the laws of the government and policies of the company.

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

At Kansas City Assembly Plant, we honor the open door policy, harassment hotline and grievance procedure. When an employee brings a complaint to our attention, it is thoroughly investigated and the issue is resolved. If an employee is found to be in non-compliance, it is addresses appropriately.

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

Employees are trained in different forums about corporate policies supporting human rights such as Diversity Training, on-line Corporate Code of Conduct Training and Anti-Bribery training. In addition, Corporate policies and government laws regarding employee rights are prominently posted throughout the facility. To ensure that we have the most current governmental laws posted, we have an auto-compliance renewal contract with Federal Wage and Labor Law Institute; if a law changes they will automatically send Kansas City Assembly Plant updated posters. In addition, communication regarding different policies, initiatives, and recent events are distributed to employees through Safety Stand Downs, Bulletins, Newsletters, email and team meetings. Skip Level meetings are held monthly by each Manager and surveys are conducted inquiring about employees' perspectives and opinions about different aspects of their employment. Surveys include the PULSE Survey and the Employee Engagement; both were recently opened to hourly employees for participation.

4. How is your facility monitoring human rights risks?

Results of the surveys and skip levels referenced above are monitored and shared with Human Resources and Plant Leadership for action planning to address employee concerns. Plant Leadership and UAW Representatives are in constant communication regarding issues as they arise related to the rights of employees and work together to resolve issues as quickly as possible.

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

As mentioned in Question 2, when an issue on non-compliance is communicated to a member of management, a thorough investigation is conducted by Human Resources or Labor Relations. If at the end of the investigation, if non-compliance is identified, the proper penalty is administered through corporate policy to the employee identified with the non-compliance.

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?

At Kansas City Assembly Plant, we take pride in knowing we provide an environment that respects human rights and have made significant strides in ensuring we continue to protect these rights. In 2010, Kansas City Assembly Plant was the subject of an EEOC Compliance Review which was closed May 2012 with no violations being found.

With the addition of a brand new Stamping facility and the expansion of our new Transit facility, it will become difficult to conduct frequent and thorough training events to keep our employees aware of efforts and policies pertaining to human rights. Additional resources to assist in facilitating training would be appreciated.

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"> • Fair Labor Standards Act 	<ul style="list-style-type: none"> • Plant does not employ candidates without either a High School Diploma or under the age 18.
Compensation	<ul style="list-style-type: none"> • Fair Labor Standards Act • UAW Collective Bargaining Agreement 	<ul style="list-style-type: none"> • Salaried employee compensation is developed by the Compensation Office in the HR Organization using competitive analysis and a pay for performance philosophy for the annual compensation plan. • Hourly employee compensation is determined through the collective bargaining process and is audited by the Wage Administration Office of the Labor Affairs Department.
Forced Labor	<ul style="list-style-type: none"> • Fair Labor Standards Act • At Will Employment 	<ul style="list-style-type: none"> • Forced labor is prohibited, Ford 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"> • National Labor Relations Act • UAW Collective Bargaining Agreement 	<ul style="list-style-type: none"> • Employees have the right to participate in union activities as provided by the National Labor Relations Act and governed by the National Labor Relations Board (NLRB). Complaints regarding company practices can be made directly to the NLRB for investigation, determination, and remedy.
Harassment and Discrimination	<ul style="list-style-type: none"> • Company Directive B-110: Anti-Harassment • Equal Employment Opportunity Act 	<ul style="list-style-type: none"> • KCAP has a Zero Tolerance Policy that is strictly enforced; all complaints are investigated and employees dispositioned appropriately. • All new employees are required to participate in Diversity Training and sign a copy of the company's Zero Tolerance Policy brochure. • Complaints can be directed to Labor Relations, Salaried Personnel and the Personnel Relations Hotline for investigation or escalated to the Equal Employment Opportunity Commission (EEOC) for further investigation.
Health and Safety	<ul style="list-style-type: none"> • Applicable OSHA Standards • Ford Motor Company Standard Guidelines and Polices 	<ul style="list-style-type: none"> • Shop floor level, Plant and Executive reviews take place on an on-going basis to monitor adherence to the standards. • Periodic Corporate safety review of facility compliance • On-going partnership with OSHA to ensure compliance and share best practices.

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Work Hours	<ul style="list-style-type: none"> • Fair Labor Standards Act • UAW Collective Bargaining Agreement 	<ul style="list-style-type: none"> • Salaried work hours and compensation are determined by the FLSA. • Hourly work hours are negotiated in the collective bargaining process. Violations of negotiated work hours are remedied through the grievance process.
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. In addition People Soft retains records of past and present salaried employees and TWOS retains records of past and present hourly employees. • 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 Labor Affairs within the Human Resources structure. • Hourly wage rates and structure are maintained in the collective bargaining agreements and with the Wage Administration Office of the Labor Affairs Department. • Grievance Procedure documents are kept on file with the local Labor Relations Office. • Employee hotline records are maintained by the Personnel Relations. • Human Resources Policies and Procedures are documented and kept on the HR Online Site for salaried employees on the company intranet site. • 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.

KCAP is not aware of any issues of human trafficking activity in this community. There have been no instances 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?

KCAP is not aware of any suppliers or businesses we interact with that are suspected of or have been found to engage in any sort 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
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	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Community Engagement and Indigenous Populations	<ul style="list-style-type: none"> • Ford Corporate Responsibility Policy • Policy Letter 13: Governmental Relationships and Civic Affairs 	<ul style="list-style-type: none"> • Ford Global Week of Caring • KCAP supports March of Dimes, Juvenile diabetes, Salvation Army, and Community Blood Drives • KCAP interacts with our Regional Government/Community Relations Affairs Manager and supports his position with all tour requests from Governmental Officials.
Bribery and Corruption	<ul style="list-style-type: none"> • Policy Letter 3: Standards of Corporate Conduct • FCPA Anti-Bribery Training 	<ul style="list-style-type: none"> • Annual financial disclosure declaration • Annual recertification of Standards of Corporate Conduct Training • Annual recertification of Foreign Corrupt Practices Act Training
Environment and Sustainability	<ul style="list-style-type: none"> • Policy Letter 17: Protecting Health and the Environment 	<ul style="list-style-type: none"> • KCAP follows the Environmental Operating System • KCAP received the EPA Energy Star Award 2006, 2008, 2009 and 2010 • Plant representatives conduct quarterly environmental roll-ups to ensure that we are in compliance of all environmental issues. • Function specific and EW training is completed annually for Plant employees of KCAP.
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. • Ford Corporate Training requirements are stored at the www.integrity.ford.com web-site • All Environmental issues are on the EQO share point site. • Environmental issues are also contained in the office of our Plant's DER (Designated Environmental Resource) 		

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?

Kansas City Assembly Plant engages primarily with members of Village of Claycomo, Pleasant Valley, Gracemoor and Liberty Communities. The community is primarily concerned with the environmental and economic impact the facility has on their community. As mentioned above, KCAP actively participates in yearly fund raising for March of Dimes, Juvenile Diabetes Research Foundation, Community Blood Drives and various other agencies as deemed appropriate by unfortunate events such as Joplin Relief, Hurricane Sandy, etc.

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.*

KCAP uses counter flow methods in the phosphate system that allows clean rinse water to be used as make up water for upstream stages, reducing city water usage. Current active projects include using reject water from the demineralization system in cooling towers, to reduce city water usage. KCAP has also implemented routine maintenance work orders that focus on finding and eliminating

uncontrolled water loss. Water reduction is measured in a per unit built basis. Even though 2012 was a partial production year for one of the two operating plants at the site and per unit water consumption rose, the plant met the 2012 water usage objective.

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

Sustainable water projects contribute to health and safety of staff, operations, and community by reducing the loading on water treatment and waste water treatment facilities. Chemical usage and electrical consumption is reduced because less water needs to be treated prior to use and less water is required to be treated prior to discharge to receiving water bodies.

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?

Reducing energy consumption, through effective shutdown procedures and retrofitting existing lighting and equipment with higher energy efficiency help reduce overall emissions from the plant and utility providers. Active waste minimization programs reduce the overall impact to the environment from wastes sent to landfill. The use of less hazardous materials, reducing packaging waste through the use of returnable containers, and implementation of recycling programs to keep wastes out of landfills contribute to the facility's ability to move toward environmental sustainability.

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 part of the manufacturing organization, KCAP is continuously involved in evaluating continuous improvement in many aspects of our operations, including human rights. KCAP has several forums, including a Local Continuous Improvement Forum that meets weekly and is comprised of Ford Management and the Local UAW. Operation issues along with issues pertaining to human rights and health and safety are discussed.

In addition, KCAP has a Diversity Committee that meets monthly to discuss any diversity issues at the plant. The ESSP (Employee Special Services Program) Committee meets on a quarterly basis to discuss local response team procedures in relation to the workforce. Both Committees are comprised of UAW/Ford employees. The Plant also has an Emergency Response Team that is available as needed for medical/plant emergencies.

KCAP will continue to participate in employee surveys, corporate audits, and mutual growth forums to identify areas for improvement and develop action plans to continue to improve all aspects of our operation, including human rights.

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)?

Providing training on Policy Letter 24 and which human right processes are in effect in each region would be recommended. Human Rights knowledge is important for all employees to have a thorough understanding so they can ensure that they are in compliance with all processes.

2. Any words of wisdom/advice?

I appreciate all the human right policies that Ford Motor Company has in place. I think we could use a Town Hall Forum to communicate Policy Letter 24 awareness with our employees.