

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

Date	30 th Sep 2014
Location / Facility	Sanand Plant

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?

This will give us opportunity to audit our processes and ensure we predict risks & opportunities at right point in time. This is also an opportunity to educate the key stakeholders and Ford teams on the Ford policies on sustainability and human rights.

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?

At present we don't foresee any non – compliances. Our stakeholders will see this to be an opportunity to assess our compliance status against the said policies.

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 SVAEP, we see upholding human rights as the most fundamental & universal rights for every Human being. This has to be safeguarded in all aspects.

As a first step, ensuring that all individuals working with us are aware about these fundamental rights and also are able to demonstrate these principles, whether as a diversified workforce, Safety at work place or the right to organize into a Union. This will ensure all our employees are treated equally irrespective of their diverse background. Safeguarding Human rights principle at our facility will ensure we provide a safe and harmonious environment for all our employees.

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

We have an open door policy where all our employees are empowered to speak up on any sorts of violations to any level of the Management. We also have skip levels, where employees from all levels meet their department heads and share their opinions. We have REACH committee which administers the harassment cases and operates on principle of natural justice in taking right actions. We have also engaged external consultant to periodically audit on the key Labor/ Contractor Act areas where by periodic abnormalities can be identified and acted upon. We do constantly orient our employees on Ford Standard Code of Conduct; this ensures our employees follow ethical standards at all time. All the above instances are re-mediated for any non-compliance and reported as required.

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

In order to ensure we reduce Human rights risks, the first most important factor to achieve this would be on the level of awareness we have on all Human rights principles. We ensure through our external consulting partners all necessary laws and norms are studied and made known to us. There are regular audits conducted by our engaging external consultant (SME) to assess the risks and put up an action plan to contain the risks. Further, as part of the new employee induction process all new joiners are trained on the Corporate Standard Code of Conduct.

4. How is your facility monitoring human rights risks?

We have also engaged external consultant to periodically audit on the key Labor/ Contractor Act areas where by periodic abnormalities can be identified and acted upon. Also we have also established employee – management connects to feed information on any sorts of violation foreseen or happening on human rights aspects, ex – Skip levels, working committees, Open door policy, All hands meeting, department meetings etc.

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

Any sort of non – conformance to human rights is reported immediately to the top management and the Internal control teams and upon internal or external (authorized) legal advices the concerns are addressed and closed. On closure of the concern the communication is also passed on the right stakeholders, including all employee communication so that the awareness is cascaded widely and future risks minimized.

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 are making progress in minimizing human rights risks; there should be constant awareness programs/communication to larger employees on human rights principles and reporting forums. There should be constant training for the top management and the Market SME's on the amendments of laws on Human rights and its importance,

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
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	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Child Labor	<ul style="list-style-type: none"> • ...Factories Act,1948 	<ul style="list-style-type: none"> • Incorporated in Hiring policy specifying under the age of 18 years shall not be employed. • Age verification is a key component of the on-boarding process.
Compensation	<ul style="list-style-type: none"> • ...Payment of Wages Act,1936 • ...Minimum Wages Act,1948 	<ul style="list-style-type: none"> • Minimum wage circular & Guideline is being issued by State Government twice a year. We follow the Guidelines accordingly. • Submission of Statutory returns annually as prescribed in the Statute.
Forced Labor	<ul style="list-style-type: none"> • ...NA 	<ul style="list-style-type: none"> • ...NA
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> • ... Industrial Dispute Act,1947 	<ul style="list-style-type: none"> • We cascade the information related to Compensation & benefits. The platform facilitates the workmen to participate & raise queries • Issues related to employee services---we have constituted various Committee • Collective Bargaining is not mandatory under the Indian Labor Laws
Harassment and Discrimination	<ul style="list-style-type: none"> • ...Industrial Employment (Standing Orders) Act,1946 • Factories Act 1948 	<ul style="list-style-type: none"> • Orientation extended to all employees about the specific sections under the SO Act dealing with Harassment & Discrimination against Women • Incorporated Ford-Code of Conduct in Induction program for new joinees.
Health and Safety	<ul style="list-style-type: none"> • ...Factories Act,1948 	<ul style="list-style-type: none"> • Health & Safety Policy of Ford encompasses the Statute requirement of Health & Safety under Factories Act. • Aforesaid Policy has been implemented
Work Hours	<ul style="list-style-type: none"> • ...Factories Act,1948 	<ul style="list-style-type: none"> • Total working hours in a year is calculated as per the Statute • Half-yearly & Annual return is submitted to regulatory authorities containing the total working hours. • Exceeding working hours(over time) requires Sanction from HR.
Where are these documents housed?		
<ul style="list-style-type: none"> • ... Available with HR/ER Team 		

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

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	Policy Letter 24	We continue working constructively with the Administration in Sanand , Gujarat Region (where the Plant is located). Our Care in the Community initiatives include Water facility, Up gradation of Infrastructure at Schools, blood donation camps, Self-help groups, Awareness on Health and Hygiene and Kits.
Bribery and Corruption	Policy Letter 3: Standards of Corporate Conduct	Annual financial disclosure declaration Annual recertification of Standards of Corporate Conduct Training Cascade and training during induction
Environment and Sustainability	Policy Letter 17: Protecting Health and the Environment Federal Environmental protection regulations Ford EOS standards	Sanand Vehicle Assembly & Engine Plant follows the Environmental Operating System requirements. Plant representatives conduct regular environmental roll-ups to ensure that we are in compliance of environmental issues.
Where are these documents housed?		
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?**

The targeted communities are schools, hospitals, unemployed individuals, & women groups from in and around the plant facility. The issues are on quality of education, infrastructure, hygiene, sanitary, women empowerment, Self-help groups, medicals etc. We have formed tasks or project teams who work on these projects closely and report out the progress to our management.

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 new facility at Sanand will have state of the art water conservation measures right from inception. RoDip (In RoDIP process the car body rotates complete 360 deg during the pretreatment & Electro deposition process, which will ensure that there is no air pocket inside the box section & 100% area get processed and providing good corrosion protection to the car body) technology for pre-treatment will be installed in paint shop, besides 3 wet paint technology.

The power train operation will have a cutting edge technology Minimum Quantity Lubrication (MQL). This metal cutting technology will lubricate cutting tools with a fine spray of oil, rather than the conventional "wet-machining" that required large amounts of metal-working fluids and water to cool and lubricate the tools. For a typical production line, dry machining (MQL) can save more than 280,000 gallons (1,085,000 litres) of water per year.

The Waste water treatment will have latest of the technologies namely; Corrugated plate separator, Ultra filtration units, Membrane Bio reactor, Reverse Osmosis. This will be also a zero waste water discharge facility. The treated effluent will be used in paint shops, as well as coolant make up in power train operations and to irrigate the green belt in the premises.

The natural topography of the plant has been used to construct two rain water harvesting structures. The rain water collected will be used for the non-production requirements like irrigation and gardening.

The operations are yet to be started and the metric is yet to be defined.

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

Water conservation measures like zero water discharge besides reducing the fresh water consumption; it is widely appreciated in the industrial and local community.

Ford is working on projects to install water filters in Anganwadis (government-run pre-school centers for children) and primary schools near our plants, to provide access to safe drinking water for children.

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?

State of the art technologies are planned and commissioned to reduce environmental impacts from operations. Some of them are listed below:

- a. Zero effluent discharge plant
- b. Treated effluent will be reused, recycled to meet process requirement and irrigation
- c. Rain water harvesting.
- d. Advanced paint technologies to reduce water consumption and VOC emission
- e. Oven controls in to minimize VOC emission

- f. MQL to minimize coolant and water consumption
- g. Targeting Zero Waste to Landfill.
- h. Clean fuel (Natural Gas) for paint shops oven.

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 awareness through Orientation programs
- Employee empowerment – Skip levels, Working Committees etc
- Engagement Surveys
- Regular audits & governance to monitor progress

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)?

We need to have awareness amongst key stakeholders & commitment from all the levels in the Organization to abide to these rules & regulations from time to time.

2. Any words of wisdom/advice?

Ford Code of Human Rights, Basic Working Conditions, and Corporate Responsibility becomes the primary base on which our business exists. There should be no compromise on these rules and regulations , all individuals in the Organization should abide to these laws and should demonstrate highest of the standards at all times.