

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

<b>Date</b>	August 2015
<b>Location / Facility</b>	Ford Thailand Manufacturing

**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?

Ford as a Global Leading Company has a responsibility to respect human rights and integrate human rights in the business practices. Conducting human right assessment is a key to assure compliance. To ensure that we maintain work environment which respect human right also support the Company's people objectives - developing a Great Place to Work.

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 have a very clear policy regarding respectful and zero tolerance to discrimination and harassment. If employee believes that someone is violating the policies, they could report either directly or anonymously, to the Manager, Human Resources, OGC or Internal Control.

**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?

We promote diversity, health and safety behaviors as well as environmental care. In the plant, we have a good mix of female and male depending on suitability and job requirement, 10+ nationalities, various skills set, etc. We use Safety Operating System (SOS) and Environmental Operating (EOS) to promote safety/environmental awareness and ensuring robust processes to minimize risk.

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

We have several communication channels that employees could use to report abnormality including Town Hall, Department meetings, HR Representative of each area, drop box, and Skip level meeting both with Area Manager and Plant Manager. Those communications are good indicator to monitor human rights in the plant.

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

- Educate Corporate Code of Conduct includes diversity and harassment in Orientation program
- Conduct Safety meeting, SOS-daily, Safety Council-weekly, Safety Committee-monthly to reinforces safety culture
- Conduct Safety Behavior Index audit by Area and Safety professional
- Participate National Safety Award competition, got award 2 years consecutive already 2014-2015
- Implement ISO 14001
- Formed Women In Manufacturing group to promote development of Female workforces
- Track various diversity metrics e.g. gender, education, nationalities, age, etc.
- Reinforce these matters via Internal Communications channels
- Incorporate those values in day to day operations

4. How is your facility monitoring human rights risks?

Feedback from employees from different channels and result from audits/surveys are keys for Management to understand risks of human right. After understanding these risks we then discuss among Management to find solutions and make sure actions are taken to address that.

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

In case of identified human rights risks, we take corrective action. Depending on the violation, corrective action may be suspension, reassignment of duties and in severe cases, separation from the Company.

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 strongly believe we are making progress. We look at Employee Satisfaction Index (ESI) for both Salary and Hourly Pulse surveys, employees' satisfaction on what we've done so far.

**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.

	<b>Policy(s) / Law(s) Followed</b>	<b>Process to Implement Policy Correctly</b>
<b>Child Labor</b>	<ul style="list-style-type: none"> <li>• Thailand Labor Protection Act</li> </ul>	<ul style="list-style-type: none"> <li>• Recruiting &amp; Selection makes sure that candidates have the minimum legal age required to work</li> </ul>

	<b>Policy(s) / Law(s) Followed</b>	<b>Process to Implement Policy Correctly</b>
<b>Compensation</b>	<ul style="list-style-type: none"> <li>• Thailand Compensation Structure (Salaried employees)</li> <li>• Collective Bargaining Agreement (Hourly)</li> </ul>	<ul style="list-style-type: none"> <li>• Annual salary survey for salary personnel: follows the corporate compensation philosophy of providing a total compensation</li> <li>• Bonus, merit increase and compensation/benefit improvement for hourly personnel based on Union negotiation through Bargaining.</li> </ul>
<b>Forced Labor</b>	<ul style="list-style-type: none"> <li>• Thailand Labor Protection Act</li> </ul>	<ul style="list-style-type: none"> <li>• Forced labor is prohibited, employees can leave the company at any time for any reason</li> </ul>
<b>Freedom of Association and Collective Bargaining</b>	<ul style="list-style-type: none"> <li>• Thailand Labor Relations Act</li> </ul>	<ul style="list-style-type: none"> <li>• The Company recognizes employee rights to establish or join Labor Union whether it's in-house or industrial union.</li> </ul>
<b>Harassment and Discrimination</b>	<ul style="list-style-type: none"> <li>• Corporate Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• We follow Corporate Code of Conduct includes: <ul style="list-style-type: none"> <li>• Anti-Harassment</li> <li>• Diversity</li> <li>• Integrity</li> <li>• etc.</li> </ul> </li> </ul>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• Thailand Labor Protection Act</li> <li>• Thailand Occupational Safety, Health and Environment Law</li> <li>• SOS standards</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure health and safety conditions in our facility we have: <ul style="list-style-type: none"> <li>• Smoke free site policy</li> <li>• Sport fields for soccer, basketball/ volleyball, Sepaktakraw, and Patanque. We organize sport competitions throughout the year</li> <li>• Medical center with occupation nurse and doctor. Service includes none-work related illness which is not very serious</li> <li>• All activities as per SOS standards</li> <li>• Safety Committee, as per Thai Law requirement, consisted of elected representatives from all areas, have a monthly meeting to discuss safety related matters</li> </ul> </li> </ul>
<b>Work Hours</b>	<ul style="list-style-type: none"> <li>• Thailand Labor Protection Act</li> <li>• Ford Thailand Manufacturing Work Regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Argentine legislation regulating hours of works</li> <li>• Timekeeping reports showing control of overtime levels</li> <li>• Flextime policy for a salaried employees</li> </ul>
<b>Where are these documents housed?</b>		
<ul style="list-style-type: none"> <li>• Thailand Labor legislation</li> <li>• Ford Corporate Directives and Policies sites</li> <li>• Ford Thailand Manufacturing Human Resources Department</li> </ul>		

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 its suppliers/sub-contractors requiring fees or charging costs, directly or indirectly, in whole or in part, to job-seekers and workers for the services directly related to recruitment for temporary or permanent job placement, including when using the services of Private Recruitment, Labor Broker or Employment Agent or performing recruitment activities directly?

No.

## Corporate Responsibility

- 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
<b>Community Engagement and Indigenous Populations</b>	<ul style="list-style-type: none"> <li>None of specific law related to this</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Bribery and Corruption</b>	<ul style="list-style-type: none"> <li>Policy Letter N°3: Standards of Corporate Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Annual financial disclosure declaration</li> <li>Annual recertification of Standard of Corporate Conduct Training.</li> </ul>
<b>Environment and Sustainability</b>	<ul style="list-style-type: none"> <li>Thailand legislation</li> </ul>	<ul style="list-style-type: none"> <li>ISO-14001</li> <li>EOS</li> </ul>
<b>Where are these documents housed?</b>		
<ul style="list-style-type: none"> <li>Ford Corporate Directives and Policies sites</li> <li>Plant Engineering whose responsible for Environmental matters</li> </ul>		

- 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?

Ford Thailand Manufacturing locates in Hemaraj Industrial Estate which has lots of requirement relate Safety and Environment. We conduct all necessary activities to ensure we align at the highest level of such requirements. For example, requirement around percentage of green field, waste management, safety standard, emergency response practices, etc.

Annually we conduct Global Week of Caring activities to nearby communities, align with Global policies in continuing to support communities. Activities we did organize included built garden for community, renovated school, mangrove planting, etc.

We are committed to community development through education: we have Internship students program where we allow students in universities to experience real life in the plant and develop some improvement projects. Not just the students learnt a lot but our employees also have chance to coach and learn new idea from them as well.

- 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 plant follows regional water strategies such as improve 5% usage per vehicle year over year. Some other actions are:

- Implement Awareness Campaign on Water Use, water leak identification, water assessment etc.
- Control cycle of concentrate (COC) value of cooling tower water blow down.
- Implement department level water metering.
- Re-use reject DI water for flushing in toilet and plant irrigation watering.

- **Water Shut-Off**

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

We currently don't have issues (and projects) related to water contribution to the health of staff, operations and the community.

- 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?

Plant implements and maintains an effective environmental management system; to ensure conformance with the stated environmental policy; and ensure compliance with environmental laws and regulations. The plant also obtains ISO 14001 certification. In addition the plant implements the 'Ford global standard Environmental Operating System (EOS)

### **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?

Ford Thailand Manufacturing is evaluating its continuous improvement in many aspects of our operations, including health and safety, environment, and people related. Every month, all Operating Committee Members have discussions to review progress of each objectives, concerns, and solutions to address issues.

### **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)?

It's very important to reinforce the diverse culture and recognize the expected behavior, to get engagement with stakeholders, and bring new employees onboard with required level policy understanding while reinforcing the deployment of online training.

2. Any words of wisdom/advice?