

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

Date	August 2015
Location / Facility	Pacheco Stamping & Assembly Plant- Puma Engine 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?

Ford as a public Company has a responsibility to respect human rights and integrate human rights in the business practices. From that point of view, it's mandatory to refer to those values in our codes of business principles and assure compliance.

At Pacheco Plant we are committed to respect human rights, creating safe and inclusive workplaces, engaging employees and stakeholders to strengthen our business.

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 Ford Argentina, it is every employee's responsibility to maintain a work environment that reflects respect and is free from all discrimination and harassment. If any employee believes that someone is violating the Code of Human Rights or the law, they are asked to report it immediately either directly or anonymously, to the Manager, Human Resources, OGC or Internal Control. Recently, it was also launched a mobile Application for all employees that may decide to denounce any violation or deviation.

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 a culture of caring and safe behavior, to ensure continual improvement through identification of risks and implementation of controls to minimize risk.

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

At Pacheco Plant we work under an open door policy. We inform frequently the procedure to denounce harassment or inappropriate situation. We also conduct employee communications including all hands, town hall meetings, skip levels and focus group discussions.

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

- Having a human rights policy
- Assessing human rights impacts of our activities
- Integrating those values and findings into corporate culture (“Walk the talk”)
- Tracking and monitoring performance
- Conducting periodic trainings for all employees regarding Corporate Policies to make sure all of them know our human rights and workplace rights standards and to apply them in their work.
- Also Internal Communications are released in order to reinforce People values.

4. How is your facility monitoring human rights risks?

Audits and surveys are developed from different areas to monitor people, health, safety and environmental aspects. These audits are an important component of our human rights due diligence process, which helps to identify, prevent and mitigate human rights risks. For example, Employee Relations survey, Pulse survey for hourly and salaried personnel, Safety and Health audits, ISO 14001 audit, etc.

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

In case of identified human right 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. Benchmarking reports within FMC and other industries would help us to make continuous improvement towards upholding human rights.

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"> • Argentina Labor legislation • Ford Argentina-SMATA Agreement 	<ul style="list-style-type: none"> • Recruiting & Selection makes sure that candidates have the minimum legal age required to work
Compensation	<ul style="list-style-type: none"> • Argentina Labor legislation • Ford Argentina-SMATA Agreement 	<ul style="list-style-type: none"> • Annual salary survey for salaried personnel: Ford Argentina follows the corporate compensation philosophy of providing a total compensation • Established rate for hourlies based on Union negotiation through Bargaining.

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Forced Labor	<ul style="list-style-type: none"> • Argentina Labor legislation 	<ul style="list-style-type: none"> • Forced labor is prohibited, employees can leave the company at any time for any reason
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> • Argentina Labor legislation 	<ul style="list-style-type: none"> • The Company recognizes employee rights to be part of the SMATA Union, and ensure SMATA contributions payments guaranteed by law.
Harassment and Discrimination	<ul style="list-style-type: none"> • Argentina Labor legislation • Directive B-110 	<ul style="list-style-type: none"> • We have a directive of zero tolerance for: <ul style="list-style-type: none"> • Sexual harassment • Racial or national origin harassment • Harassment based on race, religion, color, age, sex, national origin, disability, sexual orientation, gender identity or veteran status and protected groups • Retaliation against anyone for making a good-faith complaint of such harassment or for cooperating in Company investigations of such complaints
Health and Safety	<ul style="list-style-type: none"> • Argentina Labor legislation • Ford Argentina-SMATA Agreement • SOS standards 	<ul style="list-style-type: none"> • To ensure health and safety conditions in our facility we have: <ul style="list-style-type: none"> • Health and Safety area that works on ongoing pathologies, prevention (For example, Office Gym, Yoga classes, Smoke free for all Pacheco Plant, etc) and the 4 Health Pillars Strategy • SOS • Committee integrated by Safety, Labor and an Union Representative where Safety issues are discussed (COHISE)
Work Hours	<ul style="list-style-type: none"> • Argentina Labor legislation • Ford Argentina-SMATA Agreement 	<ul style="list-style-type: none"> • Argentine legislation regulating hours of works • Timekeeping reports showing control of overtime levels • Flextime policy for a salaried employees
Where are these documents housed?		
<ul style="list-style-type: none"> • Argentina Labor legislation • Ford Argentina-SMATA Agreement • Ford Corporate Directives and Policies sites 		

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
Community Engagement and Indigenous Populations	<ul style="list-style-type: none"> • Argentina Labor legislation • Ford Argentina-SMATA Agreement 	<ul style="list-style-type: none"> • There are no constituted Indigenous Populations in the area where the Plant is located. However, we employ people with diverse background.
Bribery and Corruption	<ul style="list-style-type: none"> • Policy Letter N°3: Standards of Corporate Conduct 	<ul style="list-style-type: none"> • Annual financial disclosure declaration • Annual recertification of Standard of Corporate Conduct Training.
Environment and Sustainability	<ul style="list-style-type: none"> • Argentina legislation 	<ul style="list-style-type: none"> • ISO-14001 • EOS
Where are these documents housed?		
<ul style="list-style-type: none"> • Ford Corporate Directives and Policies sites • Central Maintenance closed file cabinets 		

- 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?

Every day we work to inform these stakeholders our vision of sustainability. To guide our action, we are governed by the Constitution of Excellence in Social Responsibility, which sets basic guidelines designed from the direction to the whole company. We fulfill the commitments of quality, safety and environmental protection enshrined in our Charter for the Protection of Health and Environment; Charter of Total Quality Excellence and Industrial Safety Charter, Loss Prevention and Control, certified under ISO 9002, QS-9000 and ISO 14001 standards.

All areas of Ford considered its management from a socially responsible vision. That means concrete actions that generate value for the company and for all our stakeholders. Being socially responsible means maintaining ethical relationships, committed and transparent with all of them:

Annually we conduct surveys to our customers, suppliers and dealers to seek their points of view and identify opportunities for improvement.

We are committed to community development through education: in the Pacheco plant Henry Ford Technical works since 50 years ago, which provides technical secondary education to men and women. And, among many other initiatives, we carry out the program "Ford and its dealers, creating a new tomorrow education" program, aimed at recycling and updating 41 border schools built in the early seventies by the company.

In addition, we worry about using friendly technologies environment, reduce greenhouse gas emissions and boost the maximum care of natural resources.

- 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:

- Repair Potable Water Losses
 - Implement Awareness Campaign on Water Use
 - Repair and Refurbish of Cooling Tower
 - Replacement of Cooling Tower
 - 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?

In order to reduce environmental impacts the facility is involved in improving water usage year over year.

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 Argentina is continuously involved in evaluating continuous improvement in many aspects of our operations, including human rights. Several forums are developed for continuous improvement to discuss all kind of issues of operations including human rights and safety. Maintaining high levels of participation and engagement in employee surveys, corporate audits, and mentioned forums will allow us keep identifying areas for improvement and development of action plans.

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. Also to get engagement with stakeholders and bring new employees onboard with required level policy understanding. Reinforce deployment of online training

2. Any words of wisdom/advice?