

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

Date	June 1, 2016
Location / Facility	Chicago Stamping Plant, Chicago Heights, IL

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?

The greatest value in conducting these assessments serves as a reminder of the many basic rights our employees take for granted that are not rights given to all employees in all countries. These assessments also give us the opportunity to make sure the safe holds and processes we have in place to guard and monitor these rights are working properly and can be adjusted or reinforced if necessary.

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 Chicago Stamping Plant. Due to continued high attrition and salaried vacancies combined with ongoing weekend overtime requirements, the organization will continue to monitor salaried work hours to ensure continued compliance.

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 Chicago Stamping Plant means providing an environment in which employees can work safely, without fear of discrimination or harassment by treating them equally and 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?

Preservation of human rights is maintained by strict adherence to corporate policy and government laws. These rights are monitored through multiple annual audits, employee surveys, and mechanisms to report violations of these rights for thorough investigation and resolution, such as the harassment hotline or the grievance process.

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 and Standards of Corporate Conduct Training. Corporate policies and government laws regarding

employee rights are prominently posted throughout the facility. Communication regarding different policies, initiatives, and recent events are distributed to employees through Safety Stand Downs, Bulletins, Newsletters, Email, and in Team Meetings. Skip Level Meeting 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 which is open to both hourly and salary employees for participation.

4. How is your facility monitoring human rights risks?

Results of the surveys and skip levels referenced above monitored and shared with Human Resources and Plant Leadership for action planning to address issues raised. Plant Leadership and UAW Representatives are in constant communication regarding issues as they arise related to the rights of the 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?

If after investigation, non-compliance is identified, if related to an individual, the proper penalty is administered through corporate policy. Any appropriate remuneration is administered if the non-compliance is related to wage or benefit administration. Appropriate training is redeployed if necessary.

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?

We believe we provide an environment that respects human rights and have made strides in ensuring we continue to protect these rights. With over 1500 employees on site across multiple operating patterns 24 hours a day, it is difficult to conduct frequent and throughout 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 High School Diploma or age of 18.

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Compensation	<ul style="list-style-type: none"> • Fair Labor Standards Act • UAW Collective Bargaining Agreement • Overtime Policy • At Will Employment 	<ul style="list-style-type: none"> • Salaried employee compensation if 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. • Exempt/Non Exempt status is determined by our HR Organization and the office of the General Counsel. • Employees sign an At Will acknowledgement upon hire.
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. All hours worked by hourly employees are captured in the TWOS system and posted for employee review of accuracy and salaried employees capture hours worked in Timekeeping. • 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 member or 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"> • CSP 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, the Personnel Relations Hotline for investigation or escalated to the Equal Employment Opportunity Commission (EEOC) or Illinois Department of Human Rights (IDHR) for further investigation.
Health and Safety	<ul style="list-style-type: none"> • Occupation Health and Safety Administration Guidelines • Safety Operating System (SOS) • UAW-Ford Health & Safety Program 	<ul style="list-style-type: none"> • OSHA Act activity monitors safety activities. • All Health and Safety processes are governed by the SOS process. Shop floor level, Plant and Executive reviews take place on a regular basis. SOS Self Assessments are conducted twice a year. • Safety Process Review Board joint forum held on monthly basis.
Work Hours	<ul style="list-style-type: none"> • Fair Labor Standards Act • UAW Collective Bargaining Agreement • Illinois One in Seven Law (SDO) 	<ul style="list-style-type: none"> • Salary 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. • Illinois employees are permitted to take a Seventh Day Off (SDO) each week.
Where are these documents housed?		

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
	<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 Offices. 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. OSHA records are maintained by CSP Medical and Safety Departments. 	

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.

We are not aware of any issues of human trafficking activity in this community. There have been no instances reporting 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?

We are not aware of any suppliers or businesses we interact with that are suspected 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
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 Accelerated Action Days 16 Hours Paid Community Service Annually
Bribery and Corruption	<ul style="list-style-type: none"> Policy Letter 3: Standards of Corporate Conduct 	<ul style="list-style-type: none"> Annual financial disclosure declaration Annual recertification of Standards of Corporate Conduct Training

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Environment and Sustainability	<ul style="list-style-type: none"> • Policy Letter 17: Protecting Health and the Environment 	<ul style="list-style-type: none"> • The Environmental Operating System has specific annual targets and measurable to ensure continuous improvement in environmental initiatives. • Since 2014, CSP has reduced their water consumption per unit by 62%.
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 Offices. • 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. 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?

Chicago Stamping Plant engages primarily with members of the Chicago Heights community. The community is very economically depressed and considers Ford a valued employer in the community. CSP actively participates in fund raising for charities such as March of Dimes, Juvenile Diabetes Research Foundation, and Giving Tree to benefit the members of the community. Salaried employees are encouraged to use their 16 hours of paid community service each year to benefit the members of the community. Specific community service opportunities are identified each month within the immediate and broader communities in the South Chicago, Northeast Illinois, and Northwest Indiana for salaried employees to participate in.

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.*

Chicago Stamping is always looking for ways to incorporate new sustainable water projects into our business. Most recently, we replaced all of our old water cooled ice machines with air cooled ice machines as well as retrofitted our urinals from constant flushing every 3 minutes to automatically flushing after use. These sustainable water projects have saved roughly 8.7 million gallons of water in the first 4 months of 2016. We are also working with our cooling tower water treatment supplier to find ways to reduce the amount of water needed in the cooling tower to run optimally. Also, there are Maintenance PM's that review all process valves to ensure water leaks are discovered and repaired in a timely manner. Since 2014, CSP has reduced their water consumption per unit by 62%.

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

Each project that is written within the plant is reviewed by the Environmental Department to ensure we capture any increases or decreases to chemical or natural resources. By implementing water reduction projects or equipment, the plant is able to reduce our dependence on city water as this helps to reduce the overall cost to the facility and community. We are also viewed as good stewards for attempting to minimize water usage so there is more available to communities in areas where water is scarce.

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?

Each facility has plant specific targets in waste generation, water usage, oil reduction and energy consumption to support the global sustainability strategy. Working together with corporate and our suppliers, CSP is always looking for new technology or products that will reduce or eliminate energy usage, hazardous chemicals, water usage and air emissions.

Recent actions include implementing a more user friendly single stream recycling program at CSP where all recyclable material can comeingle. This has made our recycling program grow and allowed us to reduce our waste generation footprint. We are in the process of changing to waste-less sealer drums that when emptied, will be returned to the supplier to be refilled with product. This initiative will reduce the amount of sealer waste that ends up in landfills while reducing the amount of emissions generated. CSP also continues to install energy efficient LED lighting in its manufacturing operations. Monitoring our environmental activities and corresponding performance targets ensures our continuous focus on long-term 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, CSP is continuously involved in evaluating continuous improvement in many aspects of our operations, including human rights. CSP has several forums, including a joint Ford/UAW continuous improvement forum to discuss all issues of operations including human rights and safety. CSP 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)?

Developing educational opportunities and forums for awareness on what Policy Letter 24 is and which human rights processes are in effect in each Region. Human Rights progress varies greatly by Region and it is valuable knowledge for all employees to know and understand what progress is being made at all of the facilities in Ford.

2. Any words of wisdom/advice?

Dependent on the Region, many human rights are taken for granted. It would be helpful to be able to provide more education about how each of the company policies and directives has been put in place to help support our human rights. Through this process, it has been enlightening to understand all of the efforts taking place, however it would be impactful for this information to be available to the broader employee population.