

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

Date	July 14, 2013
Location / Facility	Ford Lio Ho Plant / Taoyuan, Taiwan, R.O.C.
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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-add of conducting the human rights assessments, in my opinion, is to ensure Ford Motor Company policies and procedures relating to human rights are being followed and adhered in true spirit at our facilities. It is critical part of very strong, robust articulation of human rights requirements at Ford to maintain long term sustainability efforts. It enables the stakeholders and to equip them with proper understanding of human rights and sustainability requirements through education, communication and training. Ford respects diversified viewpoints and credited with framing checks and balances deep into the system to nurture and protect sustainability. It also helps to bring the topic right at center of strategic priorities and decision making process. It is quite evident on many of Ford's efforts spanning around CSR/GWC, environmental protection/Co2 reduction and others. In recognition of contributions made by the diverse group of men and women who work for the company, employees will enjoy the protection guided in the principles articulated in this Ford Code of Human Rights, Basic Working Conditions and Corporate Responsibility.

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?

The facility has maintained mutual trust and good working relationship with our stand-alone enterprise union through established continual communications with plant leadership team. In addition, the company is in its endeavor to provide competitive compensation, safe working environment, and zero tolerance harassment workplace. Facility is also committed to community service and corporate social responsibility with active participation from employees to make a better world.

However, we predict that facility at specific occasion may come to deal with short term uncertain and conflicting situations that challenge the fine checks and balances that we articulate. There could be occasions where established framework is subjected to acid test and testimony.

Purely as an example, at the time of new model launch, a limited core group of hourly employees might be asked to do overtime in excess of what is favored as trained resources on such new model processes are limited for the purpose to maintain confidentiality of new model program. Though this situation is completely legitimate from business perspective and short lived, usual approach is to continuously communicate the situation to employees and escalate this concern to highest levels of leadership team to review and establish a mechanism to either control or minimize. We have good governance mechanism to audit by internal control and GAO.

The other area, I predict, is compliance issue arising out of lack of knowledge and lack of proper interpretation of legal requirements. Continual coaching, employee training and legal expert clarifications would help in such situations.

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 Ford Lio Ho Plant (abbreviated as FLH hereinafter) means providing a working environment in which employees can work safely, without fear of discrimination, harassment or retaliation by treating employees fairly and equally with respect as governed by the laws of the government and policies of the Company. This also means that required policies are set forth, agreed and implemented. Unique situations are handled with adequate knowledge and appropriate actions that are viewed fair and transparent.

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

At FLH Plant, we honor the open door policy, hotline and procedure for harassment and grievance. There are many ways by which employees have option to bring the required attention. We conduct employee communications including the all hands, town hall meetings and focus group discussion. Other mechanisms such as skip level meeting, feedback and action planning of various opinion surveys and collection of anonymous employee voices from established on-site opinion boxes or our enterprise Union would strengthen and instill confidence with which issues to be brought to surface. When an employee brings a complaint to our attention either directly or anonymously, it is thoroughly investigated, evidences are collected, and the issue is resolved. If an employee is found to be in non-compliance, it is addressed appropriately. When required, certain issues are brought to the attention of highest leadership team for effective compliance and sustenance.

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

I think human rights risks are minimized with implementation of 3 key factors – a) Employee training and communication on policies and expected behavior b) audit and forums to pick or capture perceived risks or violations either in person or anonymously and c) governance mechanism to effectively address them. Employees are trained in different forums about corporate policies supporting human rights such as diversity training, on-line Corporate Code of Conduct training, anti-bribery and corruption training, safety training, environment training and zero-tolerance on harassment. FLH factory rules are reviewed and approved by the local government on employee rights. In addition, Corporate polices and FLH factory rules are also posted in the local HR online system to bring visibility. Communication regarding various policies, initiatives, and recent events are distributed to employees through Safety stand downs, bulletins, internal target vision TV, e-mails and team meetings as appropriate. Skip Level and union meetings are held and surveys are conducted to

inquire about employees' perspectives and opinions on different aspects of their employment and working environment. Surveys include the PULSE Survey and the Employee Engagement. We had rolled out our own hourly Pulse Survey similar to salaried survey for last 10 years and integrated into the global hourly Pulse survey since 2012. MCRP, internal control / GAO audit would help verify internal compliances. Action plan for such identified issues receives top management attention and form part of MIS or regional metric report out and review

4. How is your facility monitoring human rights risks?

Results of the surveys, trainings and meetings referenced above are monitored and shared with Taiwan Operating Committee Meetings or Internal Control reviews for action planning to address concerns. HR, Plant Leadership and our union leadership 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 or appropriate investigation committee. At the end of the investigation, if non-compliance is identified, the proper action is administered through corporate policy to the employee or team identified with the non-compliance. When required, certain issues are brought to the attention of highest leadership team for effective compliance and sustenance.

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?

Certainly. We take pride in confirming that we provide an environment that respects human rights. We have made significant progress and taken efforts to ensure we continue to protect and monitor these rights. In the last two years, FLH has achieved tremendous recognitions in areas of health & safety, outstanding EVP branding and longer-term commitment to community and environment. FLH won the '2012 President Health & Safety' Award from Ford and 'Most Friendly Workplace' Award by the local government. These awards go a long way to bring credibility to our efforts.

Global FPS is rolled out consistently across several markets and People Operating System (POS) is part and parcel of GFPS. Efforts can be taken to integrate part of human rights requirements part of POS.

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"> • Taiwan Labor Standards Law 	<ul style="list-style-type: none"> • Plant does not employ candidates without complete mandatory military service except for apprenticeship provided to students of 16+ years of age from technical high school approved by the government.
Compensation	<ul style="list-style-type: none"> • Taiwan Labor Standards Law 	<ul style="list-style-type: none"> • Salaried employee compensation is developed by the HR Organization using competitive analysis and a pay for performance philosophy for the annual compensation and benefits plan. • Hourly employee compensation is determined through the annual wage discussion with union within approved mandate. Key factors such as competitive position, economic factors and affordability will be considered.
Forced Labor	<ul style="list-style-type: none"> • Taiwan Labor Standards Law 	<ul style="list-style-type: none"> • Forced labor is prohibited, employees can leave the company at any time for any reason with advance notice to the company
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> • Taiwan Union Law • Taiwan Collective Bargaining Act 	<ul style="list-style-type: none"> • Hourly employees are mandated to join the union. • Salaried employees are given the freedom to participate in union activities as provided by the Union Laws.
Harassment and Discrimination	<ul style="list-style-type: none"> • Taiwan Employment Services Act • Taiwan – Act of Gender Equality in Employment 	<ul style="list-style-type: none"> • FLH 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 are given a copy of the company’s Zero Tolerance Policy brochure which is also stored in local HR system. • Complaints can be directed to Labor Relations, Salaried Personnel and hotlines for further investigation, resolution and action.

	Policy(s) / Law(s) Followed	Process to Implement Policy Correctly
Health and Safety	<ul style="list-style-type: none"> • Applicable Taiwan Occupational Safety & Health Act • Ford Motor Company Standard Guidelines and Polices 	<ul style="list-style-type: none"> • Comply with Safety Operating System standard and guideline, integrated SOS T&DM into FPS • Daily SOS meeting, regular process confirmation on safety, Safety Behavior Index (SBI) process, regular SPRB meeting to review all H&S management requirement in details. • Periodic Corporate safety review of facility compliance (GAO audit and SOS 3rd party on-site review) • Regular safety self-assessment on SOS compliance • Periodic external audit and internal audit on the compliance of OSHAS 18001 • Periodic safety walk around by safety team, leaders/management
Work Hours	<ul style="list-style-type: none"> • Taiwan Labor Standards Law 	<ul style="list-style-type: none"> • Working hours, leaves, holidays and its association with compensation & benefits and work performance are in compliance with applicable Taiwan laws.
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 & hourly employees. • Salaried salary ranges and wage structure is maintained by Compensation and Benefits, Human Resources structure. • Industrial agreements are maintained by local Labor Relations, Human Resources. • Hourly grade ranges and wage structure are maintained by local Labor Relations, Human Resources. • Grievance Procedure documents are kept on file with the local Labor Relations, Human Resources. • Employee hotline records are maintained by the Human Resources. • Human Resources Policies and Procedures are documented and kept on the local her online system • Ford Corporate Directives and Policies are stored on the Ford Legal Access SharePoint Site. • Audit points are covered in internal control and GAO files • New employee orientation deck is available with Human Resources • Health records are maintained by Medical Clinic 		

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.

FLH 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?

FLH 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
Community Engagement and Indigenous Populations	<ul style="list-style-type: none"> • Ford Corporate Responsibility Policy/Framework 	<ul style="list-style-type: none"> • Ford Global Week of Caring • Ford Driving Skills for Life program • FLH invites local neighboring communities to FLH plant area to participate in major activities such as anniversary event, new vehicle job #1 ceremony and children’s day celebrations. This helps in cordial relationship with local communities • Periodical visit to local communities. • FLH responds to and accepts the plant tour requests from colleges/universities, business sectors and governmental institutes as appropriate • FLH responds to technical seminar requests from colleges/institutes
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 • New employee orientation
Environment and Sustainability	<ul style="list-style-type: none"> • Policy Letter 17: Protecting Health and the Environment 	<ul style="list-style-type: none"> • FLH follows the Environmental Operating System • Plant representatives conduct quarterly environmental roll-ups to ensure that we are in compliance of all environmental requirements. • Function specific and new employee training is completed annually for all employees of FLH.
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 • Invitation from industry, records of plant tour, mail correspondence with institutes • All Environmental issues are on the E-tracker • Environmental issues are stored at Plant’s environmental team document folder. 		

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?

FLH engages primarily with Zi-Li community nearby FLH. There is perceived concern around possible environmental impact on their community. FLH will periodically visit Zi-Li Community to have

effective two-way communication. We share with them the focus and efforts that we take to effectively protect environmental considerations. Besides that, FLH will invite the local communities to FLH plant area to participate in the major activities such as plant anniversary event, new vehicle job#1 ceremony and children's day. FLH received 'green' award for accelerating Co2 reduction. FLH outperformed the target set by the government and hence at the honor of receiving such an important award.

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.*

FLH has established 5 year water saving plan, whose target is to meet Ford global water saving strategy. Currently, first priority is to fix aged and leaking fire water underground piping system. With projects implemented in 2012, daily water leakage from fire water underground piping system has been reduced over 10%.

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 are reduced or optimized because less water needs to be pumped from underground, 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 models help reduce overall emissions from the plant and utility providers. Try to achieve and maintain zero waste to landfill reduces. Attempt to reduce packaging waste through the use of returnable containers that contributes 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?

FLH is committed in evaluating continuous improvement in many aspects of our operations, including human rights. At FLH, we dedicate ourselves to operating business ethically, responsibly and legally to provide equal opportunity in hiring, work hours, leaves, holiday, wage, benefits, health and safety, training, retirement and etc... We are strongly committed to and value Diversity and believe that everyone should be respected and appreciated regardless of their gender, age, culture, ethnicity, religion and beliefs.

We also take adequate efforts to build a harmonious and collaborative working relationship with the union. Mutual issues affecting the business including workplace environment, work schedules, framing work rules, facilities changes, employee well-being, corporate citizenship programs and etc. are addressed through open and candid communications for mutual trust and respect.

2. 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)?

Continue to encourage the diversified culture, recognize and award desired behavior, continue to reinforce and model to uphold human rights requirements. Engage with stakeholders and bring new employees onboard with required level policy understanding. Reinforce deployment of online training <http://www.integrity.ford.com> to enhance knowledge on Code of Conduct, particularly Health & Safety, Global Mutual Respect, Preventing Sexual Harassment. Continual employee education, demonstrate prompt investigation and appropriate actions. Take efforts to contribute to society and encourage sustainability efforts with employee participation and engagement.

3. Any words of wisdom/advice?

FLH has a strong belief and will contribute positively toward the implementation and enforcement of all the policies that encourage human rights considerations. We will continue to sharpen awareness and compliance through all kinds of new hire orientation, trainings and communications. We will also nurture the checks and balances that we have inherited over a period of time in an effort to appropriately deal with conflicts arising out of conduct of business

Ford is a great Company that not only has focus on business results but also considers society and community as important stakeholders in defining its policy framework and long term sustainability.

4. Are there areas in sustainability and/or corporate responsibility where the community believes that the Ford Lio Ho Plant is a leader?

For years FLH has received credits and awards on the contributions toward the corporate social responsibility in terms of environmental protection and community service. FLH is strongly committed to delivering on FLH CSR strategy and global initiative in place by having longer term connection with the Spinal Cord Rehabilitation Center and other organizations, e.g. orphanage, aboriginal people in need and etc. in Taoyuan County, Taiwan. In addition, to achieve that, we also have a unique policy which provides volunteer hourly employees with sixteen paid hours per annum to support community service projects.