

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

<b>Date</b>	August 30, 2013
<b>Location / Facility</b>	Saint-Petersburg Assembly Plant / Ford Sollers, Russia

**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?

***In my opinion the greatest value-add of conducting this assessment is to ensure that the policy is in effective use. Company employees are the most important and following of the policy is also a great reminder that human rights are the priority and the Company has a high standard to ensure compliance.***

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 St. Petersburg Assembly Plant. It is not anticipated there will be any strong reaction either positive or negative to the assessments. The assessment can be viewed as an opportunity to review our present practices in relation to corporate policies and legal requirements.***

**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 St. Petersburg Assembly Plant means providing a working environment in which employees can work safely, without fear of discrimination or harassment by treating employees equally 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 the adhering with corporate policy and government laws. These rights are monitored through various labor official checks, employee surveys and mechanisms to report violations of these rights for thorough investigation and resolution, such as the 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 on regular basis about corporate policies supporting human rights such as Corporate Code of Conduct and Anti-Bribery training. The JV leadership has passed the session about employee's rights to create union organizations and freely bargaining.***

***Related corporate and government law updates are being monitored and implemented as necessary.***

***Various communication formats are in place within the facility to inform employees about policies and events. The Engagement survey within the entire JV provides employees opportunity to express their opinion about different aspects of their employment.***

4. How is your facility monitoring human rights risks?

***HR and Plant Leadership are responsible for resolving employees concerns arising from the surveys or from other sources. Local Union Representatives and Plant Leadership are in constant communication regarding employee related issues and work together on their resolution.***

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

***If there is an issue with non-compliance a thorough investigation is conducted by Human Resources or OGC, Internal Control. If after investigation, non-compliance is identified, if related to an individual, the proper measure is applied and administered through corporate policy.***

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?

**St. Petersburg Assembly Plant was the first auto making facility in the North West Russia back in year 2002 and since its foundation we believe that the Plant has created and maintained the environment where employees feel respected, their human rights are secured and Plant Leadership committed to continuing to protect these rights. As a further Continuous improvement actions it would be worth considering JV standardized communication materials (posters) for production areas.**

**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>• Russia Federation Labor Code</li> </ul>	<ul style="list-style-type: none"> <li>• In compliance with the Russian Federation Labor Code, child labor is specifically prohibited. Individuals under 16 cannot be employed on a full-time basis.</li> <li>• Plant does not employ candidates under the age 18.</li> </ul>
<b>Compensation</b>	<ul style="list-style-type: none"> <li>• Russian Federation Law (minimum statutory monthly wage)</li> <li>• ITUA Collective Bargaining Agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Salaried employee compensation is developed by the Compensation Office in the HR Organization using competitive analysis and a pay for performance philosophy for the annual compensation plan.</li> <li>• Hourly employee compensation is determined through the collective bargaining process.</li> </ul>
<b>Forced Labor</b>	<ul style="list-style-type: none"> <li>• Russia Federation Labor Law</li> </ul>	<ul style="list-style-type: none"> <li>• Forced labor is prohibited, Ford is an at will employer; 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>• Russia Federation Labor Law</li> <li>• ITUA Collective Bargaining Agreement</li> </ul>	<p>In line with Basic Working Conditions Russian Law provides employees with the right to associate with other employees, including the right to establish trade unions and join the same in order to represent their employment rights and lawful interests, to share in managing the organization through collective bargaining agreement or by other forms (i.e. representative body of employees), to engage in collective bargaining etc.</p>
<b>Harassment and Discrimination</b>	<ul style="list-style-type: none"> <li>• Russia Federation Labor Law</li> <li>• Company Directive B-110: Anti-Harassment</li> </ul>	<ul style="list-style-type: none"> <li>• In line with corporate policies, St.Pete facility takes a zero-tolerance approach related to harassment and discrimination.</li> <li>• Labor Code and Collective Agreement positions: No one may be restricted in their employment rights and freedoms or enjoy any privileges, as a result of their gender, race, skin color, ethnic status, language, origins, property status, social standing, origins, age, place of residence, attitude to religion, political convictions, affiliation and non-affiliation with legal associations and other.</li> <li>• Complaints can be directed to Labor Relations, the Personnel Hotline for investigation or escalated to the OGC office for further investigation.</li> </ul>

	<b>Policy(s) / Law(s) Followed</b>	<b>Process to Implement Policy Correctly</b>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• Applicable <b>OSH</b> Standards</li> <li>• Administration Guidelines Safety Operating System (SOS)</li> </ul>	<ul style="list-style-type: none"> <li>• All Health and Safety processes are governed by the federal legal requirements and SOS process. Shop floor level, Plant and Executive reviews take place on a regular basis. Within past 4 years St.Pete facility demonstrate positive dynamics on such indicators like LTC and SR rates.</li> </ul>
<b>Work Hours</b>	<ul style="list-style-type: none"> <li>• Russia Federation Labor Code</li> <li>• Plant Employee Hand book</li> <li>• Governmental Work Place Assessment conditions</li> </ul>	<ul style="list-style-type: none"> <li>• St.Pete Assembly Plant fully complies with the Labor Code of the Russian Federation which specifies hours of work (40 per week for majority of working places), together with applicable overtime and shift premium.</li> </ul>
<b>Where are these documents housed?</b>		
<ul style="list-style-type: none"> <li>• Employee related details are maintained on personnel files for both salaried and hourly employees. Kept within Records department of Human Resources.</li> <li>• Salaried salary ranges and wage structure is maintained by Compensation and Benefits within the Human Resources structure.</li> <li>• Collective bargaining documents and agreements are maintained by Employee Relations within the Human Resources structure.</li> <li>• Hourly wage rates and structure are maintained in the collective bargaining agreements and kept within the Employee Relations.</li> <li>• Employee hotline records are maintained by the Personnel Relations.</li> <li>• Human Resources Policies and Procedures are documented and kept on the shared drive.</li> <li>• Ford Corporate Directives and Policies are stored on the Ford Legal Access SharePoint Site.</li> </ul>		

Are there any Sollers specific policies still in place? How about Russia government documents?

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.***

Do you have any concerns about the sub-tiers? Child and sex trafficking are considered to be growing problems in Russia. Similar risk-factors for labor trafficking—poverty, growth of the shadow economy, porous borders with neighbors, and foreign demand—contribute to Russia’s status as an origin, destination, and transit country for sex and child 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.

	<b>Policy(s) / Law(s) Followed</b>	<b>Process to Implement Policy Correctly</b>
<b>Community Engagement and Indigenous Populations</b>	<ul style="list-style-type: none"> <li>• Policy Letter 24</li> </ul>	<ul style="list-style-type: none"> <li>• We continue working constructively with the Administration in Vsevolozhsk Region (where the Plant is located). Our Care in the Community initiatives include helping local orphanages with arranging events for children, donating PC's, collecting charity and building repair works, providing community transport for schools' and veterans' events.</li> <li>• There are no legally constituted Indigenous Populations in the area where the Plant located. However, we utilize fair employment practices and employ people with diverse backgrounds.</li> </ul>
<b>Bribery and Corruption</b>	<ul style="list-style-type: none"> <li>• Policy Letter 3: Standards of Corporate Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Annual financial disclosure declaration</li> <li>• Annual recertification of Standards of Corporate Conduct Training</li> <li>•</li> </ul>
<b>Environment and Sustainability</b>	<ul style="list-style-type: none"> <li>• Policy Letter 17: Protecting Health and the Environment</li> <li>• Federal Environmental protection regulations</li> <li>• Ford EOS standards</li> </ul>	<ul style="list-style-type: none"> <li>• St.Pete Assembly follows the Environmental Operating System requirements.</li> <li>• Plant representatives conduct quarterly environmental roll-ups to ensure that we are in compliance of environmental issues.</li> </ul>
<b>Where are these documents housed?</b>		
<ul style="list-style-type: none"> <li>• Ford Corporate Directives and Policies are stored on the Ford Legal Access SharePoint Site.</li> <li>• All Plant Environmental policies and procedures are stored at the shared drive.</li> <li>• Environmental issues are also contained in the Safety and Environmental office.</li> </ul>		

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?

***There are regular meetings with administration of Vsevolozhsk local community where all related issues are reviewed up to including utility consumptions and environmental aspects.***

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.*

***St. Petersburg Assembly Plant receives the lake's water and has the potable water treatment for technological processes (paint shop, reverse water supply system, water test) and drinking water preparation.***

***St. Petersburg Assembly Plant has installed both rain water and industrial waste water treatment facilities and has the required by Local Authorities Permits to ensure the environmental standards and established rules are met.***

***During last two years St. Petersburg Assembly Plant installed additional meters for portable and technical water to analyze the main water consumers, on the portable water treatment (PWT) station were installed the coagulation tanks to increase the coagulation time and reduce the usage of power-hungry membrane equipment, within the Plant were installed no-touch mixer taps to reduce the water usage.***

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

***By implementing the water projects (modernization of equipment and processes for RWTP, WWTP, introduction the employee's improvement ideas) to reduce the water's consumption and cost. By conducting the periodical measurements of quality and quantity characteristics for different water's types (industrial control program) to guarantee the health of staff and fulfillment of operation processes.***

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?

***St. Petersburg Assembly has taken a stride within past 3 years in minimizing the environmental impact of its operations.***

- ***Energy consumptions – 8,4%***
- ***Waste to landfill – 76,1%***
- ***Water consumption – 12,9%***
- ***VOC emission – 34,0 %***

***Continuous focus on environmental impact of the operations helps facility to move forward and become more environmentally sustainable long term.***

#### **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's awareness through the regular policy trainings***
- ***Engagement surveys***
- ***Environmental impact improving projects***
- ***Regular discussions and negotiations with the union***

## **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)?

**JV website – the link to the policy (in both Russian and English) could be recommended for consideration to be displayed on the main page with option to leave the feedback. Corporate best practices of using the policy and best examples of informal communication would be very much appreciated.**

2. Any words of wisdom/advice?

***The Code of Human Rights and Basic Working Conditions is a great foundation to social sustainability and ability of operations to achieve the business objectives. It is important to have all employees well informed through existing communication means about these policies to further strengthening this foundation.***