

Ford Motor Company Limited (Company) - Slavery and Human Trafficking Statement for the Financial Year 2017

This statement is made pursuant to the UK Modern Slavery Act of 2015 and the California Transparency in Supplier Chain Act of 2010 (SB 657) and which requires qualifying business to provide disclosures related to steps being taken to ensure that slavery and human trafficking are not taking place in our supply chains or any other part of our business.

This statement provides information required for these disclosures and provides guidance to other stakeholders of the Ford Motor Company.

Supply Chain Overview

The automotive supply chain is one of the most complicated of any industry. There are often six to ten levels of suppliers between an automaker and the source of raw materials that enter the manufacturing process.

The breadth, depth and interconnectedness of the automotive supply chain make it challenging to effectively manage business and sustainability issues. Respecting human rights and environmental issues in the supply chain is ultimately our suppliers' responsibility. As customers, however, we play an active role in supplier development and have adopted various means to clearly communicate our expectations to our suppliers.

For further details on Ford Motor Company business operations see the annual Sustainability report.

Supply Chain Standards

In our standard production procurement process, we issue purchase orders that incorporate our Global Terms and Conditions (GT&Cs). The GT&Cs are further supplemented by our web-guides, which expand on our expectations and suppliers' obligations on specific topics. For example, our Social Responsibility and Anti-Corruption Web-Guide outlines our prohibition of child labor, forced labor (including human trafficking), physical disciplinary abuse and any infraction of the law. Our Environmental Web-Guide sets out environmental requirements, including the elimination of materials of concern and increasing the use of sustainable materials whenever technically and economically feasible.

Internally, we have adopted Policy Letter 24, our Code of Human Rights, Basic Working Conditions and Corporate Responsibility, to address workplace issues such as working hours, child labor, forced labor, non-discrimination, freedom of association, health and

safety and the environment. This policy applies to our own operations, and we encourage businesses throughout our supply chain to adopt and enforce similar policies in their own operations. Furthermore, we seek to identify and do business with companies that have aligned standards consistent with Policy Letter 24, including working to cascade these expectations throughout their own supply chain.

Slavery and Human Trafficking

Slavery and forced labor can take many forms, including human trafficking or child labor. Ford's Policy Letter 24: Code of Human Rights, Basic Working Conditions and Corporate Responsibility, clearly states that we will not tolerate forced labor (including human trafficking) or child labor in our operations and we conduct internal audits of our manufacturing locations to ensure compliance. Our processes include actions to safeguard against human rights abuses (including forced labor and human trafficking) in our supply chain, including:

- **Our Global Terms and Conditions (GT&Cs) forbid the use of forced labor, child labor and physically abusive disciplinary practices.** Our definition of forced labor includes human trafficking as outlined in our Policy Letter 24. Purchase orders require suppliers to certify compliance with local laws and the GT&Cs that govern the purchase of goods and services. We reserve the right to terminate our relationship with a supplier if issues of non-compliance with our policies are discovered and/or non-compliance is not addressed in a timely manner.
- **We maintain internal accountability, holding all Ford employees and suppliers accountable to the standards on human trafficking set out in Policy Letter 24.** Employees and suppliers have multiple avenues through which to register complaints or grievances related to human rights and human trafficking, including a dedicated email inbox and a company hotline.
- **We have joined the Responsible Business Alliance (RBA), a non-profit coalition of more than 120 companies from the electronic, retail, automobile and toy industries.** The alliance's aim is to promote high standards in human rights, safety and security, environmental protection and business ethics. We are active members on multiple committees and a member of the Board of Directors.
- **We regularly assess risk related to human trafficking and forced labor associated with our supply base.** Our preliminary assessment is based upon geography, the commodity purchased, supplier quality performance and the nature of the business transaction. Ford performs this risk assessment with input from external stakeholders. Ford requires the following steps to be taken in support of ethical recruiting:
 - Suppliers and agents may not hold, destroy, conceal, confiscate or deny access to employee identity documents, regardless of issuing authority.

- Suppliers must not require workers to pay recruitment fees or related fees of any type for employment.
 - Suppliers must not use misleading or fraudulent practices during the recruitment of employees or offering of employment. Where written contracts are provided, they must accurately specify the terms of employment in a language well understood by the worker.
- **We conduct training and build capability.** We regularly conduct internal training on our Policy Letter 24 and Supply Chain Sustainability Program with our Global Purchasing staff. We also require suppliers in high-risk countries to attend training to raise awareness of Ford's requirements and legal obligations, including those related to forced labor and child labor.
 - **We conduct Self-Assessment Questionnaires (SAQ) with Global Tier I suppliers.** The SAQ is based on Global Automotive Sustainability Guiding Principles. The SAQ is designed to assess the sustainability performance of automotive suppliers.
 - **We regularly conduct social responsibility audits of at-risk Tier 1 supplier factories.** These audits evaluate supplier compliance with both local law and Ford's human rights expectations as communicated in Policy Letter 24. These audits are performed through the independent RBA Validated Audit Process and can be either announced or unannounced, and decisions about which facilities to audit are based upon our risk assessment.
 - **We are active members in multiple responsible mineral sourcing groups.** In particular, Ford is a member of the steering committee of the Responsible Mineral Initiative (RMI). We have been recognized as a Top 100 conflict mineral influence leaders for the last three years for our work in the area of conflict minerals.

Looking Ahead

- **We will perform a formal human right saliency assessment in 2018.**
- **We will participate in the RMI 2018 cobalt pilot project.**

Solely for the purpose of the UK Modern Slavery Act, this statement has been approved by the board of directors of the Company delegated approval of this statement on its behalf to the Chairman and Managing Director of Ford Motor Company Limited at its board meeting on June 19, 2018.



Andrew Barratt,
Chairman and Managing Director
Ford Motor Company Limited