

**Ford Human Rights Code of Basic Working Conditions
Oakville Plant
FINAL: June 24, 2009**

Background

In May 2003 at the Centennial Shareholders meeting, Ford Motor Company announced the development of Ford's Code of Basic Working Conditions as part of its commitment to corporate citizenship and making the world a better place. The plan is to make Ford a leader in human rights practices and to differentiate the company on social issues for potential business benefits (see attachment for a copy of the Code).

In early 2008, Ford joined the United Nations Global Compact (UNGC), a framework for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, the environment and anti-corruption. This action reinforces our commitment to outstanding performance and transparency in these areas.

Assessment of Ford Motor Company owned and operated facilities began in 2004. In 2009, Sustainable Business Strategies and Purchasing Strategy selected sites based on supply chain impact, emerging issues, plant employee representation and the views of thought-leaders, non-government organizations and human rights activists. Site selection was also determined by the exploration of new business opportunities and further advancement of sustainability efforts where Company trustworthiness and community credibility were considered critical to achieve high standards.

Located in Oakville, Ontario--the Oakville plant produces the Ford Edge, Lincoln MKX and Ford Flex. Presently, the plant employs 3,820 people. The 5,464,000 square foot facility is able to produce about 460 units/8-hour shift per year. Production in 2008 was 198,860units.

The Assessment Process

Step 1: Prior to the Assessment:

David Berdish, Manager of Sustainable Business Development sent a copy of Policy Letter #24, the Human Rights Code of Working Conditions and a communication letter to Mike Hyland, explaining:

- Background, descriptions, commitments and the expectations of the assessment (explicitly stating desire not to replicate but to ensure consistency across all operations)
- A streamlined pre-assessment checklist, focused on gathering information regarding management systems and past compliance issues at the facility.

On March 12, 2009, Berdish of Sustainable Business Strategies sent interview questions to Hyland. Interview questions centered around 1) Whether the documents were the best for verifying the Code and if they were easily accessible; 2) Whether plant management saw value in conducting the human rights assessment given that Ford already audits many practices covered by the Code through existing means; and 3) How Sustainable Business Strategies could best conduct the assessment without burdening facilities with additional work.

The interviews confirmed that the documentation is the appropriate documentation for verifying compliance with the Code. However, the interviews also revealed that there are several processes currently implemented by different departments within Ford to audit compliance with various aspects of the Code.

A summary of the interview questions and answers are as follows:

1. In your opinion, what is the greatest value-add of conducting human rights assessments at Ford's owned and operated facilities?

- Beyond the obvious value of treating all people decently, compliance to the code's facets will help avoid first world criticism due to third world activities.

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?**
 - Community Engagement is difficult to achieve because continuous launches numerous salaried reductions has reduced our time and resources available to our community.
3. **How do you think management, workers, and employee representatives at Ford facilities will view these assessments?**
 - Positive
4. **To help us understand any unique conditions at your facility, please describe how you meet each of the seven facets of the Code of Basic Working Conditions. Please speak to the policy/law that you follow and the process you use to ensure that the policy is being correctly implemented.**
 - Child Labor: Ontario Employment Standards Act
 - Compensation: Same as above
 - Forced Labor: Criminal Code of Canada & same as above
 - Freedom of Association and Collective Bargaining: Ontario Labour Relations Act
 - Harassment and Discrimination: Ontario Human Rights Act
 - Health and Safety and Environmental: Ontario Health & Safety Act
 - Work Hours: Ontario Employment Standards Act
 - Bribery and Corruption: Criminal Code of Canada
 - Community Engagement: Ford volunteer policy
5. **Where documents are housed?**
 - <http://www.labour.gov.on.ca/english/es/>
 - <http://www.ohrc.on.ca/>
 - <http://www.labour.gov.on.ca/english/hs/index.html>
 - <http://laws.justice.gc.ca/en/notice/index.html?redirect=%2Fen%2FC-46%2F>
6. **What would you suggest is most important for Sustainable Business Strategies 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)?**
 - Keep doing what you are doing.

Step 2: Site Visit

It is evident that the Oakville plant can comply with the Code and those robust processes are in place to monitor compliance and provide remediation methods at all facilities. No trip will be required.

Step 3: Leadership

Please describe Oakville's leadership in environmental initiatives.

- Fumes to fuel project - Reduces emissions to the environment by capturing fumes from paint booths, concentrating the fumes into a solvent based fuel and using the fuel to generate electricity, also using a fuel cell.
- Active "Blue Box" program with hundreds to bins line side to recycle cans, paper, plastic bottles, etc.
- Significant improvement in cardboard recycling with 100 % diversion from landfill from the cardboard compactor loads.

- Recently enhanced recycling activities including batteries, glass bottles, plastic caps and wooden pallets.
- In the midst of a review of all OIS sheets to ensure environmental aspects of all jobs are noted and form part of the operators training including PJOs
- Recently re-certified ISO14000 international environmental standards
- Participating with local gas utility companies for an upcoming "Energy Savings Kit" distribution plant-wide.

Conclusions

The next steps include the release of this report to global manufacturing and then further dialogue with ICCR and/or other Human Rights stakeholders on most value-added follow-up. This report will be published in our website:

<http://www.ford.com/microsites/sustainability-report-2007-08/issues-humanrights>