



## **Due Diligence Report required by the Norway Transparency Act**

**(→ Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions; Enterprises shall carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises.)**

### **1. INTRODUCTION**

At Ford, we believe that our purpose is bigger than building vehicles. We are helping to build a better world where every person is free to move and pursue their dreams. To achieve our goals, we must build a strong, sustainable business that advances ground-breaking technology, supports people, and protects our planet for generations to come. Ford has a long history of sustainable corporate action. We published our first Corporate Citizenship report in 1999 and adopted our first Code of Human Rights and Basic Working Conditions for the company and our suppliers in 2003. To enforce our policy, we have conducted internal human rights assessments and social responsibility audits of our suppliers since 2003. We joined the United Nations (UN) Global Compact in 2007 and became a signatory to the UN Sustainable Development Goals in 2016, reporting our progress annually. In 2016, we were the first automotive company to join the Responsible Business Alliance (RBA) and currently serve as Chair of the Board.

In 2022 Ford issued the U.S. auto industry's first stand-alone global [Human Rights Report](#) to demonstrate our leadership in respecting human rights and our commitment to transparency. This year in 2023 we published our [Ford Human Rights Progress Report 2023](#), which presents key progress we've made in the past year to protect human rights within our business and manage the salient issues we have identified across our value chain. The report applies to Ford and all of its subsidiaries.

The content of this Due Diligence report is based on Ford's Human Rights Progress Report 2023 and related documents (see chapter 5).

### **2. FORD MOTOR NORGE AS**

The company's immediate parent company is Ford Motor Company A/S located in Denmark. The ultimate parent company and controlling party is Ford Motor Company, a company incorporated in the State of Delaware in the USA, which is the parent undertaking of the largest group to consolidate these financial statements.

Ford Motor Norge AS is engaged in importing and distributing Ford Motor vehicles and ancillary products in Norway, and does not sell cars directly to customers themselves or have its own unique supply base.

### **3. GUIDELINES AND PROCEDURES FOR HANDLING ACTUAL AND POTENTIAL ADVERSE IMPACTS ON FUNDAMENTAL HUMAN RIGHTS AND DECENT WORKING CONDITIONS**

#### **3.1 Guidelines & Procedures**

We are committed to respecting human rights everywhere we operate and throughout our entire value chain. Ford's human rights strategy for our business, applicable to Ford and all its subsidiaries including Ford Motor Norge AS, and suppliers is aligned with the United Nations (UN) Guiding Principles on Business and Human Rights and focuses on:

- Embedding human rights policies into the business;
- Implementing due diligence processes to identify, prevent, mitigate and account for human rights impacts in our business and our supply chain;
- Providing remedial actions when needed;
- Communicating transparently with our stakeholders about our processes and actions;
- Engaging constructively with suppliers, local communities, governments, non-governmental organizations, and other stakeholders, including indigenous people; and,
- Seeking third party assistance, as appropriate, to assess compliance with our policy.

Aligned with the UN Guiding Principles on Business and Human Rights, we are committed to respecting these widely accepted international human rights frameworks and charters:

- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises Revision 2011
- International Bill of Human Rights (The United Nations Universal Declaration of Human Rights and its two Covenants) 1948
- The International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work (1998)
- UN Women's Empowerment Principles

We aspire to ensure that everything we do – or that others do for us – is consistent with local law and our own commitment to human rights per our policy. Ford's [We Are Committed to Protecting Human Rights and the Environment](#) policy reinforces our commitment to human rights and the environment, and our [Supplier Code of Conduct](#) explicitly requires our suppliers to adopt and enforce similar policies and extend them to their own supply chain.

Our Vice President, Chief Sustainability, Environment and Safety Officer is responsible for interpreting and implementing this policy, managing risk, and reviewing with, as appropriate, the Vice President Global Manufacturing and Labor Affairs, Vice President Global Commodity Purchasing, Chief People and Employee Experience Officer, and the Chief Policy Officer and General Counsel.

The Global Sustainability and Purchasing Supply Chain Sustainability teams are responsible for day-to-day operations of human rights and environment leadership, management and implementation.

#### Ford Due Diligence

To support our internal due diligence activities, we continue to rely on Self-Assessment Questionnaires (SAQs) from the Responsible Business Alliance to assess human rights risk in a quantitative process. Of the 70 currently operating Ford manufacturing facilities, 35 conducted SAQs in 2022. Results of the SAQs indicate low human rights risk, consistent with the previous year's results.

We will continue to evaluate and improve our processes for expanded rollout to additional facilities, furthering our efforts to ensure the protection of human rights and basic working conditions within our global manufacturing facilities.

Ford uses a saliency assessment to identify and prioritize the company's key risks associated with human rights, and areas where we can make an impact. The saliency assessment identifies potential high-risk human rights areas within our operations and our suppliers.

#### Supply Chain Due Diligence

Suppliers play a critical role in helping Ford meet our commitments and uphold our values. Given the size and complexity of our supply chain, we use an annual risk assessment process to prioritize supplier sites with a higher risk for substandard working conditions based on their location, the type of parts they supply to Ford, or specific issues identified at a site. Our Supply Chain Sustainability team conducts an annual risk assessment of nearly all our approximately 4,500 Tier 1 supplier sites around the world. Tier 1 supplier sites located in the following regions are considered at higher risk for sustainability issues: Americas, Asia, Europe, Middle East, and Africa.

In addition to location, we also utilize internal data to assess supplier site risk, including commodities produced at the site, our annual spend at the site, and training and audit history within Ford's Supply Chain Sustainability program. We also use our annual spend at a site to assess our ability to use leverage to mitigate any remaining impacts. We identify regions and operations that have the highest risk and prioritize actions based on these risks.

We launched the integration of sustainability metrics into supplier sourcing decisions in 2022. The first metric launched, the Sustainability Self-Assessment Questionnaire Rating, requests that suppliers complete the Drive Sustainability Self-Assessment Questionnaire (SAQ) and share responses with Ford. At the end of 2022, approximately 55% of the supplier SAQs identified at least one gap with Ford's Supplier Code of Conduct. We will continue to work with suppliers on identified gaps in compliance.

We conducted third-party Responsible Business Alliance (RBA) Validated Assessment Program (VAP) audits and Responsible Supply Chain Initiative (RSCI) assessments across a range of high-risk suppliers and helped them to improve working conditions at their plants. Ford audited suppliers representing a broad range of commodity groupings from all regions of the world that were identified using our risk assessment process. Audit results are used to identify and prioritize needed improvements at the facility level. For identified supplier non-conformances, each supplier is expected to develop a Corrective Action Plan (CAP) detailing root cause, planned remediation actions to address identified areas of concern and measures to correct non-conformances, as well as timing for resolutions. Such plans are regularly reviewed with in-region Supply Chain Sustainability personnel to ensure compliance aligned with Ford's expectations. We also review the overall status of supplier compliance with our commodity Purchasing teams.

Summary of the results from the SAQ responses and audits are published in our [2023 Integrated Sustainability and Financial Report, Performance Data, Human Rights and Supply Chain Management](#).

For more information, please see the following:

- 2022 HRR: Human Rights in our Supply Chain, page 15
- 2023 HRPR: Our Approach and Strategy, page 6
- 2023 HRPR: Supply Chain Due Diligence, page 8

### 3.2 Notification channels and grievance mechanism

When potential issues are identified by stakeholders, Non-Governmental Organizations (NGOs), media or supply chain partners, we take action to investigate the issue and understand our corporate and supplier involvement. We adapt our due diligence approach to each incident based on the type of inquiry. When a non-compliance occurs, we provide appropriate remedies and bring any violation to an end, including working with suppliers to implement corrective actions.

#### Grievance Mechanisms

Ford has established internal grievance channels as well as a dedicated external grievance channel specifically designed for other people affected by the activities of Ford and its suppliers for receiving complaints regarding human rights and environment-related issues.

Internal grievance channels:

Ford provides multiple ways for employees to report potential violations of law or policy, including human rights and environment-related concerns, including:

- The SpeakUp web reporting system (accessible through internal web reporting for individuals within Ford's domain);
- E-mail mailbox ([speakup@ford.com](mailto:speakup@ford.com));
- Internal global hotline (\*1-800-847-7911); and,
- Designated individuals such as Regional and Local Investigations Coordinators, representatives from the Office of the General Council, Human Resources, and Security.

In addition, you can find more information on our internal grievance channels in our global Code of Conduct ([Speaking Up and Preventing Retaliation – Code of Conduct \(ford.com\)](#)) as well as on Ford's global website ([Governance and Policies \(ford.com\)](#)).

External grievance channels:

For human rights and environment-related complaints of other people affected by the business activities of Ford and its suppliers, Ford has established a dedicated separate channel using the RBA Worker Voices Platform (accessible via APP using QR code, or via internet link, both available on the Ford public webpage).

The public information is available on Ford's global website ([External Grievances \(ford.com\)](#)).

For more information, please see the following:

- HRR: Grievance Mechanisms and Remedy, pages 13 – 14
- HRPR: Worker Voice App, page 9

**4. INFORMATION REGARDING ACTUAL ADVERSE IMPACTS AND SIGNIFICANT RISKS OF ADVERSE IMPACTS THAT THE ENTERPRISE HAS IDENTIFIED THROUGH ITS DUE DILIGENCE**

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**INFORMATION REGARDING MEASURES THE ENTERPRISE HAS IMPLEMENTED OR PLANS TO IMPLEMENT TO CEASE ACTUAL ADVERSE IMPACTS OR MITIGATE SIGNIFICANT RISKS OF ADVERSE IMPACTS, AND THE RESULTS OR EXPECTED RESULTS OF THESE MEASURES.**

Ford uses a saliency assessment to identify and prioritize the company's key risks associated with human rights, and areas where we can make an impact. In addition to human rights, we are expanding our environmental issues scope in the saliency assessment and plan to review and update the salient issues and key risks to the company annually starting in 2023.

Our 2018 reporting year was the first year we conducted a formal assessment process that identified the human rights issues that are most salient to Ford. In 2020 we conducted a second saliency assessment to ensure our focus areas and action plans respond to our areas of greatest impact. The 2020 assessment built on our findings from 2018 and more closely analyzed vulnerable populations.

In early 2022, we worked with an outside consultant to review and update the 2020 assessment to ensure the salient human rights issues were still valid based on the recent trends and issues. Our 2022 saliency assessment identified the following most salient human rights issues for Ford (listed alphabetically):

- Access to Water and Sanitation
- Air Quality
- Child Labor
- Climate Change
- Equal and Fair Wages
- Forced Labor and Ethical Recruitment
- Harassment and Discrimination
- Human Trafficking
- Occupational Health, Safety and Wellbeing
- Product Safety and Quality

Some examples which we would like to highlight within this context:

A. Child Labor

Ford prohibits the use of child labor in any form and requires our suppliers to enforce similar policies. Our commitment to global good includes a pledge to eliminate child labor and a promise not to employ anyone under the age of 15 unless it is for a training program that clearly benefits the worker. Additionally, we have reviewed our contracted recruiting firms to ensure hiring practices are aligned with our Global Terms and Conditions.

In addition, to support our internal due diligence activities, we continue to rely on Self-Assessment Questionnaires (SAQs) from the Responsible Business Alliance to assess human rights risk in a quantitative process. Of the 70 currently operating Ford manufacturing facilities, 35 conducted SAQs in 2022. Results of the SAQs

indicate low human rights risk, consistent with the previous year's results. We also have increased audits within Ford manufacturing facilities to ensure compliance with our child labor and responsible sourcing policies.

We updated our annual supply chain risk assessment to identify risks, take appropriate measures to minimize them and continue alignment with legislative requirements. As we update our risk assessments for our supply chain, we also update the process for addressing and managing those risks. As new issues arise, we will identify whether there are any gaps in our processes and, if so, work to close them immediately. We continue to audit suppliers that have been assessed as having the highest risk of human rights violations. In 2022, audits did not reveal any instances of child, forced, or involuntary labor. We continue to work towards the elimination of child and forced labor from the entire supply chain, with a greater emphasis on higher risk suppliers such as miners, smelters and refiners. Our high-risk considerations are continually reviewed.

#### B. Occupational Health, Safety and Wellbeing

The health, safety and wellbeing of our people is paramount. Our commitment to occupational health and safety extends to our employees, contractors, and visitors performing work at our locations globally.

Our Safety Operating System (SOS) ensures the work environment within our facilities is safe for our employees and meets or exceeds all regulatory and company requirements. An SOS dashboard allows us to quickly identify issues by location, region, or globally to ensure allocation of resources, providing us with deeper insight into our safety metrics.

The lagging indicator for safety performance is the Global Lost-Time Case Rate. In 2022, our Global Lost-Time Case Rate was 0.39 per 100 employees. These were cases with one or more days away from work per 200,000 hours.

For more information on the progress we have made in reducing risk related to these issues, please see the following:

- HRR: Human Rights Salience Assessments, pages 24 – 47
- HRPR: Salient Issues Updates, pages 15 – 23
- HRPR: Supply Chain Due Diligence, pages 8 – 9
- HRPR: Salient Issues Update – Child Labor, page 18
- HRPR: Salient Issues Update – Occupational Health, Safety and Wellbeing, pages 22 - 23

**5. LINKS TO USEFUL RESOURCES**

- (a) [2022 Human Rights Report \(HRR\)](#)
- (b) [2023 Human Rights Progress Report \(HRPR\)](#)
- (c) [2022 Integrated Sustainability and Financial Report \(2022 ISFR\)](#)
- (d) [2023 Integrated Sustainability and Financial Report \(2023 ISFR\)](#)
- (e) [We Are Committed to Protecting Human Rights and the Environment](#)
- (f) [Corporate Code of Conduct](#)
- (g) [Ford Sustainability](#)
- (h) [Ford Supplier Code of Conduct](#)
- (i) [Conflict Materials Report](#)
- (j) [Responsible Materials Policy](#)
- (k) [Corporate Responsible Material Sourcing Site](#)

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