

Helping Build a Better World



Integrated Sustainability and Financial Report 2022
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Helping Build a Better World



We've been building the future for 118 years now. But you don't have to go back 118 years to witness how we have transformed the ways people move and connect.

Last year, we were proud to launch our inaugural Integrated Sustainability and Financial Report, building on more than two decades of sustainability reporting at Ford and giving our stakeholders a more holistic view of our performance. This year we have continued to evolve our process to better show the indelible link between our commitment to sustainability and our continued success, for generations to come. In Ford's second Integrated Report, you'll see what we've accomplished in the last year alone. We'll show how we've revolutionized and electrified some of the most popular, iconic vehicles, helping to shape the future of zero-emissions transportation. You'll see unprecedented investments in sustainable manufacturing and jobs to help drive the next century of progress. You'll see the continued impact of Ford and the Ford Fund to strengthen communities around the world. And you'll see how we're investing in the talent, capabilities, and technologies that will help build sustainable and ethical growth for Ford and for our shared future.

All of this is because the future of this company centers on a purpose bigger than building vehicles. We are helping to build a better world, where every person is free to move and pursue their dreams. A world that is fully electric. A world that is more equitable, inclusive, and sustainable. And in doing so, we are putting people, the planet, and our shared prosperity first.

We're glad to have you along for the ride.

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About This Report

The value of our business is rooted in our purpose to help build a better world where every person is free to move and pursue their dreams.

That means that we are directing our investments to what's good for all people and the planet. It also means we are setting the pathway for a strong business that will continue for decades to come. We will win by being financially healthy and effective in sustainability, which we believe are mutually dependent objectives.

Based on our most recent materiality assessment, this year's report includes four main sections – Driving Innovation and Sustainable Growth, Putting People First, Protecting the Environment, and Creating Responsible and Ethical Growth – which reflects Ford's significant sustainability initiatives and impacts.

To supplement this report, we are also publishing our first Human Rights Report and our first narrative Task Force on Climate-related Financial Disclosures (TCFD) Report.

You can also find all our indexes in our ESG Data Book and Additional Downloads page.

 [Read more about the reporting scope, boundaries and data assurance process we used in this Report on p.108](#)

We welcome you to share with us your feedback and any comments you may have at sustaina@ford.com.

Ford Fundamentals



Letter from Bill Ford and Jim Farley

For all of us at Ford, the truest mark of success is whether we leave the world a better place for the next generation. From our earliest days to the present day, Ford has followed that north star.

We invented the moving assembly line and the \$5 workday, scaled the Model T, forged the Arsenal of Democracy, and converted our plants to make ventilators and masks during the pandemic. Each generation faces different challenges, but our purpose has always been the same: to help build a better world, where every person is free to move and pursue their dreams.

Today, our industry and our world are going through a period of immense change. We believe it gives us the opportunity to create the most value for the company and our customers since Henry Ford scaled the Model T. But the change in our industry makes it even more important to stay true to the values that have defined our company. We publish this report to hold ourselves accountable and determine if we are truly moving the needle on the issues that matter.

Climate change, for example, is among the biggest challenges of our generation. We all share the responsibility to address the threat it poses to our economy, our health, and our way of life. Just like the Model T revolutionized mobility, we believe electrification can do the same for reducing carbon emissions. So, we have been transforming our business to lead the electric revolution at scale, creating distinct but complementary businesses – Ford Model e, Ford Blue and Ford Pro – that will help us compete and win in the new era of electric and connected vehicles.

We are introducing all-electric versions of our most popular, iconic nameplates – the F-150 Lightning, the Mustang Mach-E, and the E-Transit van – and scaling production to reach a target of producing more than 2 million electric vehicles per year by 2026. We are also leading a new era of sustainable manufacturing, re-thinking not just what we build, but how we build. In Tennessee and Kentucky, we have made the largest one-time U.S. investment by any automotive manufacturer to construct the most sustainable manufacturing facilities in our history. Around the world, we are dedicating more than \$50 billion through 2026 to accelerate our zero-emission vehicle plan and create an ultra-efficient manufacturing system for our vehicles and the batteries that power them, helping us achieve our goal of carbon neutrality by 2050. Our aspiration is to achieve a business model that goes beyond net-zero and becomes a net-positive for both the environment and the economy.

Investing in electric vehicles is the right thing to do for our children and grandchildren. It is also the right thing to do for our business. The demand for our first-generation electric vehicles has far exceeded expectations. We believe we can profitably grow as we invest in electric vehicles, connectivity, and modernization. We plan to maximize the potential offered by digital, connected vehicles to make our products more accessible, more inclusive, and safer to drive than ever before. We are proving that you can drive prosperity and protect the planet at the same time, and investors are taking notice.

At Ford, we have always strived to take the long view on the environment, even when it was unpopular. We were one of the first industrial companies to publish our progress towards sustainability, one of the first automakers to support the Paris Agreement, and the only full-line American automaker to partner with California on more stringent emissions standards. Now, we intend to lead the industry in another respect by putting a spotlight on human rights.

Ford is publishing a Human Rights Report – a first for the company and for our industry. It will examine how our materials are sourced, where our products are manufactured, and how our labor standards measure up. Countries around the world are defining access to clean air and water as fundamental human rights. We at Ford agree – and are setting clear targets for reducing the global emissions of our entire supply chain.

Whenever the world faces disruption and uncertainty, Ford has stepped up to shape it for the better. We are at our best when we are creating something larger than ourselves. In this time of profound change, we will answer the call to lead our industry towards a more sustainable future, while giving our customers the very best of Ford.

Bill Ford
Executive Chair

Jim Farley
President and Chief Executive Officer

Bill Ford
Executive Chair

Jim Farley
President and Chief Executive Officer



Ford at a Glance

Facts and figures

182,790

employees in 43 countries



76%

reduction in Scope 1 and 2 greenhouse gas (GHG) emissions by 2035 from a 2017 base year, approved by Science Based Targets Initiative (SBTi)¹



50%

reduction in Scope 3 GHG emissions per vehicle kilometer from use of sold products by 2035 from a 2019 base year, approved by SBTi¹

\$136.3B

revenue and \$10.0B company adjusted EBIT

9M

FordPass™ app and Lincoln Way™ members in the U.S.²



83%

of our European fleet received New Car Assessment Program (NCAP) 5-star ratings in 2021

78%

freshwater reduction in water use since 2000

3.8m³

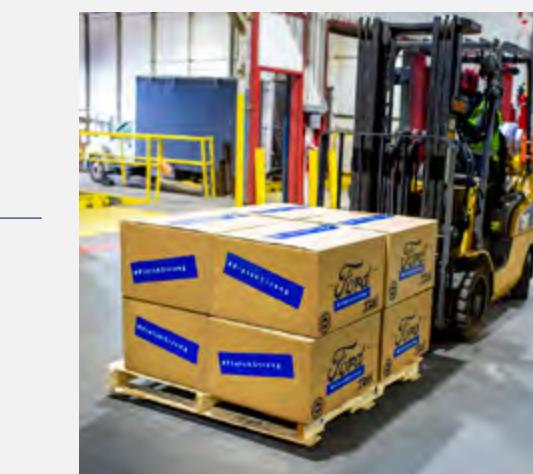
water use per vehicle produced

Over 20,500

charging stations (over 70,000 plugs) and growing on the BlueOval™ Charge Network in North America³

200,000+

charging stations in Europe on the FordPass Charging Network in partnership with NewMotion



120M

facemasks donated to at-risk communities in all 50 U.S. states and hosted on-site COVID-19 vaccination clinics



\$1.3M

donated to disaster relief efforts around the globe

\$74.4M

in charitable contributions to strengthen communities worldwide

10 awards

granted from the Insurance Institute for Highway Safety in 2021, doubling the number of TOP SAFETY PICK awards



Our Purpose in Action

Our purpose is to help build a better world, where every person is free to move and pursue their dreams.

And this purpose has set us apart as a company for more than a century. We are committed to making our purpose evident in every part of our business, from the way we source our materials, to the vehicles we create, the services we provide, and the interactions we have with our customers, employees, and communities. It not only guides our vision of the future, but informs the steps we take to help build it. While our purpose hasn't changed, we continuously set new goals and milestones for the betterment of our ever-changing world. And in service of generations to come.

Everyone imagines an ideal future – Ford is in business to help make it real. In this section, we'll bring to life the four pillars of our purpose with tangible examples of how we're building a better world today.

Turn the page to see how we've been delivering on our Purpose in 2021

Building a Better World

→ [Read more on p.8](#)

Every Person

→ [Read more on p.8](#)

Free to Move

→ [Read more on p.9](#)

Pursue Dreams

→ [Read more on p.9](#)

“

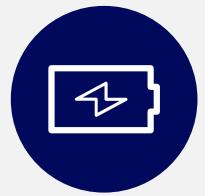
What makes this company different is that Ford has a higher purpose. We serve others and improve lives... we try to make the world a better place.”

Jim Farley,
President and Chief Executive Officer



Our Purpose in Action – continued**Building a Better World****\$50B**

planned global investment in EVs, including battery production, from 2022 through 2026

**240 GWh**

of battery cell capacity globally by the end of the decade, including 140 GWh in North America, with the rest in Europe and China

\$11.4B

planned investment in BlueOval City to build Ford's next generation F-Series vehicles and two mega-sites in Tennessee and Kentucky with SK Innovation



Announced new global battery center of excellence in Romulus, Southeast Michigan called Ford Ion Park



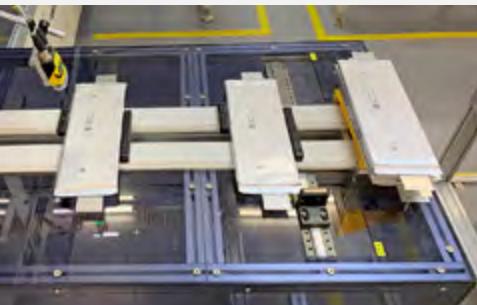
Broke ground on

\$1B

investment in Ford's Cologne Electrification Center and announced £230 million investment to transform Halewood, U.K. facility to build EV components for Europe

100%

of passenger vehicles in Europe will be zero-emissions capable, all-electric or plug-in hybrid by 2026, and completely all-electric by 2030. Two-thirds of commercial vehicle sales in Europe will be all-electric or plug-in hybrid by 2030 and all commercial vehicles in Europe will be zero emission by 2035.



Announced new joint venture with SK Innovation to scale North America battery deliveries

Additional investment in Solid Power to accelerate solid-state vehicle battery development



A LIST
2021

CLIMATE WATER

2021 CDP Supplier Engagement Leader, 2021 CDP Water A rating, 2021 CDP Climate A rating

Every Person**First**

major U.S. automaker to sign the Action Pledge for the UN's International Year for the Elimination of Child Labor, which outlines steps companies can take to end child labor by 2025



Launched Pilot Program in the Democratic Republic of Congo, empowering women to build businesses in the cobalt supply chain, while addressing the root causes of poverty and child labor

#1

automotive company and 20th overall on Just Capital annual ranking



Published first Human Rights Report



Our Purpose in Action – continued

Free to Move

50%
of Ford's global sales
to be electric vehicles
(EVs) by 2030

Committed to Lincoln
having a **fully electric
portfolio by 2030**



Introduced the **all-electric Ford E-Transit Van and Ford F-150 Lightning truck**



Launched Ford Pro

Started local production of Mustang Mach-E in China
that is being sold to customers through a network of direct-to-customer city stores



Joined the RouteZero initiative to work towards **100% zero-emission cars and vans** globally by 2040, and 2035 in leading markets

Pursue Dreams

Teamed with Redwood Materials to help localize the battery supply chain network and ramp up lithium-ion battery recycling in the U.S.



\$525M
investment in the U.S. to train skilled technicians to service connected, electric zero-emission vehicles

Issued **\$2.5B**
inaugural Green Bond, helping raise funds for our EV portfolio

Introduced the North America auto industry's first **Sustainable Financing Framework**, covering both an Auto OEM and its captive finance company

Aligned **\$15.5B**
in revolving corporate credit lines to sustainability-linked KPIs



Our Purpose in Action – continued

A Deep Commitment to Volunteering, Especially When Catastrophe Hits

CASE STUDY →



When **Yvonne Stephan**, Vehicle Recycling Analyst, began her career at Ford, she quickly found that her love of cars wasn't the only thing she had in common with the Ford family – she also shared their passion for helping to build a better world. Through the Ford Volunteer Corps, Yvonne has been coordinating large-scale volunteer projects for the Ford Germany team for more than a decade. When catastrophic flooding hit Germany, Yvonne

was shocked to see her inbox filled to the brim with Ford employees who asked how they could help before the rain had even let up.

Yvonne got to work organizing projects, with support from Ford Fund. Feeling the Ford family come together in this way was a shining light in a dark time, and really showed what Ford is all about.

→ [Watch this video to learn more about Yvonne's story](#)

CASE STUDY →



A Ford Dealer Family for Two Generations Steps Up to Do What's Right

Juan Martin Simone is a second-generation Ford dealer in Argentina, and the Ford dealership, the first in South America, is not the only thing Juan inherited from his father. He inherited a sense of responsibility in building public trust – an obligation to his community to help and do what's right. Today, Juan and his family continue to embody this spirit

at the dealership. So, when he heard about a local non-profit group stepping in to help those in need, he got involved, helping the group build a school from scratch for a low-income province by providing food, financial resources and, of course, Ford trucks.



Our Leadership in Sustainability

Ford Motor Company has a long history as an automotive and sustainability pioneer.

Doing the right thing is in our DNA. Bill Ford himself is a passionate environmental leader and has spearheaded Ford's sustainability efforts for over two decades. We were the first OEM to begin reporting on sustainability 23 years ago, and we continue to challenge ourselves to lead, not just within automotive, but beyond. And we have done this while continuing to deliver the iconic vehicles and rewarding experiences people expect from Ford.

But we're not resting on our laurels. We're imagining the future of mobility, and building for it. By reducing emissions and waste from our operations and pushing the boundaries of innovation and technologies, we aim to reach carbon neutrality no later than 2050. And when we say carbon neutral, we are accounting for our entire impact on the planet – from vehicle emissions, to the power in our factories, to our suppliers. The breadth and depth of this commitment is characteristic of how Ford approaches any major challenge – with authentic commitment, purposeful ingenuity, and energizing passion throughout the organization.



1999



2003

Establish Ford Driving Skills for Life education program
Adopt the Code of Human Rights/Basic Working Conditions for our company and suppliers

2004

Reopen our Ford Rouge Center with its living roof, daylighting system, and waste minimization
Launch the Escape Hybrid



2005

Receive a 100 score for the first time from Human Rights Campaign, which also names Ford a Best Place to Work for LGBT equality
Establish Ford Volunteer Corps to provide community service opportunities for employees



2007

Introduce SYNC, a hands-free connectivity system
Join the United States Climate Action Partnership and UN Global Compact
Launch 2008 Ford Mustang with the first soy foam based seats and headrests

Launch the full electric Focus EV



2011



2013

Open Ford Resource and Engagement Center in Southwest Detroit – the first of five in Ford Fund's global network of community centers



Our Leadership in Sustainability – continued

2014

Implement Partnership for a Cleaner Environment (PACE) program
Become a signatory to the UN CEO Water Mandate
Announce a saving of more than 10 billion gallons of water

2015

Develop the Ford Mobility plan, advancing connectivity, mobility, self-driving vehicles, and big data
Begin exploring self-driving vehicle technology
Launch the new, lightweight all-aluminum F-150

2016

Become a signatory to the UN Sustainable Development Goals (SDGs)
Become the first OEM to join the Responsible Business Alliance (RBA)

SUSTAINABLE DEVELOPMENT GOALS

2018

Develop the Transportation Mobility Cloud with Ford-owned Autonomic
Meet our goal, set in 2010, to reduce operational GHG emissions per vehicle produced by 30% (eight years early)
Celebrate 10 years of soybean-based foam in more than 18.5 million vehicles built in North America
Conduct first formal UN human rights saliency assessment

2019

Launch Sustainability Aspirational Goals
Achieve double A rating for CDP Climate and Water



2020

Launch Mustang Mach-E
Design and Produce a new powered air-purifying respirator and new ventilators, in collaboration with the UAW, **produce** face masks at Ford's Van Dyke Transmission Plant for internal Ford use and provide millions to local healthcare workers and communities
Contribute over \$1.13 million to worldwide COVID relief through employee donation match; Direct \$3 million to community organizations
Achieve 75% absolute reduction in water use since 2000
Offer 155,000 charging stations in Europe on the FordPass Charging Network, in partnership with NewMotion

With so much still to do and guided by our purpose, Ford will continue to be at the forefront of positive change, helping to build a better world for everyone.

Unleashing the Ford+ Plan

To advance the transformation of our global automotive business, Ford is accelerating the development and scaling of breakthrough electric, connected vehicles, while leveraging our iconic nameplates to strengthen our operating performance and take full advantage of a century of engineering and industrial expertise.

Following the 2021 introduction of the Ford+ Plan – which has been called the company's biggest opportunity for growth and value creation since Henry Ford scaled production of the Model T – we are now forming two distinct, strategically interdependent, auto businesses – Ford Blue and Ford Model e.

Together with the Ford Pro business, these new complementary organizations will help unleash the full potential of the Ford+ Plan, driving growth and value creation and positioning the company to outperform both legacy automakers and new EV competitors.

Ford Model e will be Ford's center of innovation and growth, to create incredible electric vehicles and digital experiences for new generations of Ford customers. Ford Blue's mission is to deliver a more profitable and vibrant internal combustion engine (ICE) business, strengthen our successful and iconic vehicle families, and earn greater loyalty by delivering incredible service and experiences.



We have an extraordinary opportunity to lead this thrilling new era of connected and electric vehicles, give our customers the very best of Ford, and help make a real difference for the health of the planet."

Kumar Galhotra, Ford Blue President

The Ford+ Plan



Ford Blue

Inspire customers to pursue their dreams and passions in life with iconic Ford vehicles and experiences, and serve as the engine that supports and powers Ford's future



Ford Drive

Deliver shared, sustainable mobility and services to our customers with driven and autonomous vehicles (AV) fleets

Ford Model e

Delight customers with truly incredible electric and connected vehicles and services, and build the future as Ford's center of innovation and growth



Ford Credit

Serve people with trusted mobility financing products and services that turn dreams into reality for work, for play, for life



Ford Pro

Accelerate productivity and sustainability for commercial customers with a trusted platform of connected vehicles, software and services



Our Iconic Vehicles

Ford is continuing to transform its global automotive business, accelerating the development and scaling of breakthrough electric, connected vehicles, while leveraging its iconic nameplates to strengthen operating performance and take full advantage of engineering and industrial capabilities.



Model e

The F-150 Lightning

The F-Series, America's best-selling truck⁴ is now available with an array of innovative technologies and connected features. And of course, the power, payload, and towing capability Ford customers love.

→ [Read more on p.15](#)

The Mustang Mach-E

Already a huge hit with customers, this beauty was named North America's SUV of the Year and Best Car to Buy in 2021 – with good reason.

→ [Read more on p.16](#)

The E-Transit

The all-electric version of the Best-Selling Cargo Van in the World⁵ offers new ways to optimize fleet performance thanks to high-speed in-vehicle data architecture, cloud-based services, and easy integration into Ford Pro's suite of software and end-to-end charging solutions.

→ [Read more on p.17](#)

Ford Blue

Maverick and Bronco

Owners of our all-new hybrid and a re-imagined legend can seek out great adventures or meet everyday needs, from scaling rugged terrain to helping a friend move a couch. It's the kind of versatility that our customers have asked for – reaffirmed by the multiple awards each has earned to date.

→ [Read more on p.18](#)

Our Iconic Vehicles – continued

CASE STUDY →

F-150 Lightning – A Defining Moment

**320**

miles EPA-estimated range*

**F-150 Lightning Features**

- EPA-estimated range of 320 miles on LARIAT and XLT with the available extended-range battery.*
- Expected to be certified as a zero tailpipe emissions vehicle.**
- The standard-range battery has a **targeted 426 horsepower (318kW) and 775 pound-feet (1050 Nm) of torque.**⁶
- Models with extended-range battery is targeted to go from 0-60 mph in the mid-4-second range.⁷
- **Pro Power Onboard.**
- **Standard 4x4** and independent rear suspension.
- **Mega Power Frunk**
- **Seamless connectivity**
- Over-the-air **software updates.**
- Vehicle-to-vehicle charging capability.

*Based on full charge. Actual range varies with conditions such as external environment, vehicle use, vehicle maintenance, and lithium-ion battery age and state of health.
**Visit fueleconomy.gov for more information.



For both Ford and the American auto industry, the F-150 Lightning represents a defining moment as we progress toward a zero-emissions, digitally connected future. F-Series is America's best-selling truck for 45 years, the backbone of work across the country, and a trusted icon for generations of customers. Now we are revolutionizing it for a new generation.”

Bill Ford, Executive Chair

The F-150 Lightning is the smartest truck Ford has ever built. We had to make it a showcase of innovation. After all, the F-150 is the heart and soul of Ford. Electrifying this iconic truck demonstrates just how serious we are about zero-emission vehicles.

Just as Henry Ford and the Model T revolutionized mobility, the F-150 will revolutionize zero-emissions transportation for a new era. The F-150 Lightning is a pillar of the more than \$50 billion Ford is investing in electric vehicles globally through 2026. And the strategy is working – customer reservations nearing 200,000 for the F-150 Lightning demonstrate the appetite for an electric pickup truck. The Lightning is drawing interest from new customers at a record rate in North America, with more than 75% of reservation holders new to the Ford brand.⁸

To meet high customer demand, Ford is planning to nearly double production to 150,000 trucks mid-2023. “The reality is clear: People are ready for an all-electric F-150 and Ford is pulling out all the stops to scale our operations and increase



production capacity,” said Kumar Galhotra, president of The Americas & International Markets Group, Ford Motor Company.

The F-150 Lightning will be built at the Rouge Electric Vehicle Center, the same factory in Dearborn, Michigan where Henry Ford invented the assembly line and changed the world. And when it comes online in 2025, Ford’s new BlueOval City plant in Tennessee will be a hive of technical innovation to build next-generation electric F-Series trucks.

BlueOval City will be among the largest auto manufacturing campuses in U.S. history. Like the iconic Rouge complex in Michigan did a century earlier, BlueOval City will usher in a new era for American manufacturing, helping to create our vision for an ultra-efficient, carbon-neutral manufacturing system — one that creates positive impacts on people and the environment.

Ford is committed to leading the electric vehicle revolution and bringing it to scale. Over the next two years, Ford aims to emerge as the clear No. 2 electric vehicle maker in North America and then challenge the No. 1 spot as huge investments in battery and electric vehicle manufacturing come onstream. Within 24 months, Ford will have the global capacity to produce 600,000 electric vehicles annually.

Our Iconic Vehicles – continued

CASE STUDY →

Mustang Mach-E – A Unique Driving Experience

**314**

miles EPA-estimated range with extended-range battery and RWD*

**Zero**

tailpipe emissions**

**2022 Mustang Mach-E Features (California Route 1 Model)**

- Zero tailpipe emissions**
- 314 miles EPA-estimated range with extended-range battery and RWD*
- GT Performance Edition 0-60 mph in 3.5 seconds⁹
- Standard RWD with eAWD available
- Seamless connectivity
- Ford Power-Up software updates

*Based on full charge. Actual range varies with conditions such as external environment, vehicle use, vehicle maintenance, lithium ion battery age, and state of health.

**Visit fueleconomy.gov for more information.

**Awards**

Mustang Mach-E earns Car and Driver Magazine's inaugural Electrical Vehicle of the Year, and the 2021 North American Utility Vehicle of the Year™ in its first year of production

**3.5**seconds⁹
0-60 MPH

The Mustang Mach-E wholeheartedly rejects the notion that electric vehicles are only good at reducing gas consumption. People want a car that's thrilling to drive, that looks gorgeous, and that can easily adapt to their lifestyle – and the Mustang Mach-E delivers all of this in unmatched style.”

Hau Thai-Tang, Chief Product Development Officer



The all-electric, Mustang Mach-E SUV was born of the same all-American ideals that inspired the world's best-selling sports coupe – freedom, progress, fast performance, and a touch of rebellion.

From its extraordinary performance capabilities to the quiet atmosphere that only electric vehicles offer, the Mustang Mach-E harnesses the power of electrification to create a unique driving experience while retaining that unmistakable Mustang feel.

Thanks to advances in battery technology, the Mustang Mach-E is the kind of car that gets people excited about driving. And with traditional Mustang design cues like the double-cowl instrument panel rounding out the interior, this SUV delivers a sleek, beautiful profile, spirited ride and handling, as well as state-of-the-art connected vehicle technology.

Ford brought the Mustang Mach-E to life through a development process concentrated entirely on customer

needs and desires. Ford engineers and designers were able to create the Mustang Mach-E with SUV-size proportions to seat five adults comfortably – plenty of space for friends, kids, and cargo.

The Mustang Mach-E instills confidence with an EPA-estimated range of 314 miles for the CA Route 1 Extended Range Model* with extended-range battery and RWD, offering built-in charging solutions that route customers to nearby public charging stations and provide recommendations on where to charge on trips. Mustang Mach-E owners, in fact, have access to over 20,500 public charge stations in the BlueOval™ Charge Network⁶ – the largest public charging network in North America offered by an automotive manufacturer.

With consumer interest booming, Ford announced the tripling of production for the Mustang Mach-E and expects to reach more than 200,000 units per year by 2023 – a pillar of Ford's commitment to lead and scale the electric vehicle revolution.

Our Iconic Vehicles – continued

CASE STUDY →

E-Transit Productivity Accelerated with Ford Pro

**Zero**tailpipe
emissions**126**miles targeted
range in the
low-roof cargo
van configuration***487.3 cu ft**Provides up to 487.3
cubic feet of cargo space¹⁰**E-Transit Features**

- **Zero** tailpipe emissions
- 2022 Ford E-Transit Cargo Van Low Roof models have a targeted range of **126 miles***
- Provides up to **487.3 cubic feet** of cargo space¹¹
- 8-year, **100,000-mile** electric vehicle component warranty (whichever comes first)
- **Lower** maintenance requirements¹²
- Available Pro Power OnBoard provides **2.4W of power**, enough to charge tools¹³
- Over-the-air **software updates**
- **Seamless connectivity**

*Based on full charge. USA targeted range reflecting current capability based on analytical projection consistent with US EPA MCT drive cycle methodology.
Actual range varies with conditions such as external elements, driving behaviors, vehicle maintenance, and lithium-ion battery age.



Ford is the leader in commercial trucks and vans in Europe and North America, so the transition of fleet vehicles to zero emissions is critical to achieving our carbon neutrality goal by 2050. Ford is leading the charge with the all-electric Transit, providing a huge advantage for customers to help lower their operating costs and provide connected fleet management technologies that will help their businesses.”

Jim Farley, President and Chief Executive Officer



Ford Pro is helping to lead businesses into the future with the all-new Ford E-Transit, a smart workhorse offering customers cost and productivity improvements generated by a fully electric powertrain, software innovations and Pro Power Onboard options.

Ford Pro's ecosystem additionally includes a one-stop-shop of software, charging, service and financing seamlessly integrating electric fleets into day-to-day operations across existing gas fleets with ease. As a result, customers can make a smooth transition to the future of business without losing the traditional Transit capabilities they love.

In fact, demand for the 2022 E-Transit has been strong with more than 300 customers placing orders for more than 10,000 vans – from small businesses to municipalities like the City of Orlando to some of the nation's largest service providers and retailers. Because we understand that one size never fits all, we're helping commercial customers build their fleets with a variety of choices – eight all-electric van configurations in 2022.

Ford has been America's best-selling commercial van brand for 43 years.¹⁴ We know affordability is key to our commercial customers, and the E-Transit comes at a price that makes the transition to electric easy.

The E-Transit has a targeted range of 126 miles in the low-roof cargo van configuration*, well above the 74-mile daily average¹⁰. “This makes E-Transit ideal for commercial customers who know their drive routes and often work in urban environments,” said Ted Cannis, CEO of Ford Pro.

In addition, owners can improve fleet uptime and productivity through the Ford Pro Intelligence, a proprietary digital platform with easy-to-use

dashboards that connects customers to Ford Pro software and charging products. The system updates with real time data and continuously gets smarter, learns daily patterns of fleets small to large, helps plan routing and charging, simply manage financing, and schedule over the air updates.

By continuing to trust Ford Pro for their commercial vehicle needs, businesses have the capabilities they need to get the job done – backed by a company that not only has built America's best-selling line of commercial vehicles for 36 straight years, but is now leading the future of work through electrification. And we're just getting started.

→ **Read more about Ford Pro on p.76**

Our Iconic Vehicles – continued

CASE STUDY →

Maverick and Bronco: 2022 Award Winners

Maverick

Named the 2022 North American Truck of the Year, the new affordable Ford Maverick pickup is the first-ever standard full-hybrid pickup in America. Also the most fuel-efficient truck on the market, the hybrid Maverick has an EPA-estimated rating of 42 miles per gallon in the city*. It's reinventing the modern compact pickup for customers who never knew they needed a truck!

*2.5L Hybrid powertrain. Actual mileage will vary.



2022 North American Truck of the Year



The Bronco Wild Fund will help Bronco owners and off-road enthusiasts connect with the outdoors on a deeper, more personal level – ultimately enabling them to become responsible stewards of our nation's treasures."

Mark Gruuber, Bronco Brand Marketing Manager

Bronco

The Ford Bronco was named the 2022 North American Utility Vehicle of the year. Proud Bronco owners are able to enjoy our Off-Rodeo training centers, where both novices and experts can celebrate the great outdoors and experience off-road adventures. And a portion of the proceeds from Bronco® two-door, four-door and Bronco Sport SUV sales supports the Bronco Wild Fund and the responsible enjoyment and preservation of the great American outdoors.



2022 North American Utility Vehicle of the Year



Vehicle shown with optional equipment

Delivering Ford+

Ford+ is our plan for growth, intended to transform our company to win in this new era of electric and connected vehicles. It's our roadmap to determine Ford's trajectory for the next 10-15 years – creating the single biggest opportunity to create value for the company since Henry Ford scaled the Model T. Ford+ serves as our roadmap for the future as we move with speed and ambition to fulfill our Purpose to build a better world.

Always-on Relationship with Customers

Building a different kind of relationship with our customers is central to Ford+.

As we break away from the transactional, build and sell business model that has typified the auto industry for decades, Ford+ is characterized by close, enduring customer relationships based on our foundational strengths, improving financial performance and developing capabilities and investments in disruptive technologies.

We made great strides in 2021 to create more value for customers through our connected services, as evidenced below. In 2022, we will be focused on moving even faster, with scale, towards always-on and the digital, electric, connected future of our products.

- Launching BlueOval Intelligence: Ford's next-generation, cloud-based platform for integrating electrical, power distribution, computing and software systems in connected Ford and Lincoln vehicles
- Having nearly one million vehicles that are capable of receiving over-the-air (OTA) updates – scaling to more than 30 million OTA-capable vehicles on the road by 2028
- Strengthening customer relationships, mobility, and accessibility with digitally enabled tools like FordPass and Lincoln Way, as well as incorporating online ordering, simplified financing and renewal options, vehicle pickup and delivery, and mobile repairs to better serve our customers



We're fueling Ford+ by further strengthening our core automotive operations and generating consistently healthy cash flow that will fund growth and create value."

John Lawler, Chief Financial Officer



- Extending digital lifestyles by fully integrating best-in-class technology
- Speeding detection and resolution of quality issues using connected data – helping to raise customer satisfaction and lower warranty costs
- Deploying distinctive technology like BlueCruise hands-free driving and Ford Pro's VIIZR Field Service tool and EV charging solutions to improve the user experience – and to capitalize on what is projected to be a \$20 billion market for such services by 2030

Delivering Ford+ – continued**Leading the Electrification Revolution**

As proof of our commitment to leading the electrification revolution, we are accelerating investments and increasing planned total spending on electrification, including battery development, to \$50 billion from 2022 through 2026.

This will double our electric vehicle capacity to 600,000 units by the end of 2023.

Further, we are:

- Anticipating 50% of Ford's global vehicle volume to be fully electric by 2030, including from:
 - Mustang Mach-E, which is bringing new customers to Ford
 - F-150 Lightning, an all-electric member of the F-Series family, America's best-selling trucks, which amassed nearly 200,000 customer reservations by the end of 2021
 - E-Transit commercial vans, which will be on the road later this year
- Investing in battery technology and equipping Ford to design, engineer and manufacture its own batteries

 [Read more in Driving Innovation and Sustainable Growth section on p.41](#)

Creating a Business Dedicated to Commercial Customers

In 2021, we established Ford Pro: a game changer and growth accelerator for our commercial customers and our business – with anticipated company revenue of \$45 billion by 2025, up from \$27 billion in 2019.

This global vehicle services and distribution business within Ford is devoted to commercial and government customers, and led by Ford CV veteran Ted Cannis, who has been named CEO of Ford Pro and a corporate officer.

Ford Pro provides customers with greater value and higher productivity through:

- The industry's most comprehensive and flexible range of electric and internal combustion commercial vehicles
- Digital and physical services that can help optimize and maintain customer fleets
- Public, depot and employee home charging of EVs for the next day's work
- Bundled financing of vehicles, services and charging

Ford Pro creates a tremendous upside for customers, our business, and the communities we serve. As our customers grow and advance their electrification journey, we'll grow. And together, we will help build a stronger, and greener, global economy.

 [Read more in Customer Experience, Marketing and Satisfaction section on p.74](#)

Transforming our Culture**Ford+ Behaviors**

The Ford+ Behaviors embedded in the Ford+ Plan are critical to helping us transform and win. If the Ford+ Plan outlines what we will do to change our business for the future, the Ford+ Behaviors are how our team members will work differently to seize this moment and write the next 100 years of Ford's legacy. They were developed with the input of more than 10,000 employees who helped further define what our behaviors mean in practice at Ford.

To deliver Ford+ and radically transform Ford from a traditional automaker to a business that builds lifelong, always-on customer relationships requires each and every member of our global team to work differently and adopt a Challenger Mindset. We are committed to helping our employees put these behaviors into action and are evolving our onboarding and up-skilling processes to cultivate exceptional talent across every level of the organization. We are also focused on recognizing and celebrating our Ford+ Champions, the employees who are embodying our behaviors and driving our transformation, through peer-driven storytelling and recognition programs.

**Leadership+**

When all of our teams are operating at their best, Ford can build a better world. Recognizing the power of our leaders in enabling our future, in 2021 we established Leadership+, our mechanism for delivering key messages and activations to elevate and add clarity to the role of a people leader. Leadership+ sets leaders up for success in their role as Ford+ activators and change agents by:

- Building understanding of Ford+ and the Ford+ Behaviors
- Redefining the role of a people leader and connecting it to the delivery of Ford+
- Building new skills and habits that drive behavior change, using Ford+ as the framework
- Leveraging supporting systems, tools, and processes to reinforce behavior change

Delivering Ford+ – continued

CASE STUDY →

Ford+ in Action

Compete Like a Challenger

When the semiconductor shortage disrupted production at our Kansas City Assembly plant, Site Manager Fred Thome had to make some quick decisions to launch the E-Transit on schedule – a critical goal in our electrification plans. In just 24 hours, his team put together a plan to focus exclusively on building the E-Transit, expertly avoiding a four-to-six-week delay. Further, by partnering with the UAW and the Vehicle Manufacturing, Engineering and New Models launch teams, they were able to keep the launch on track for our customers.

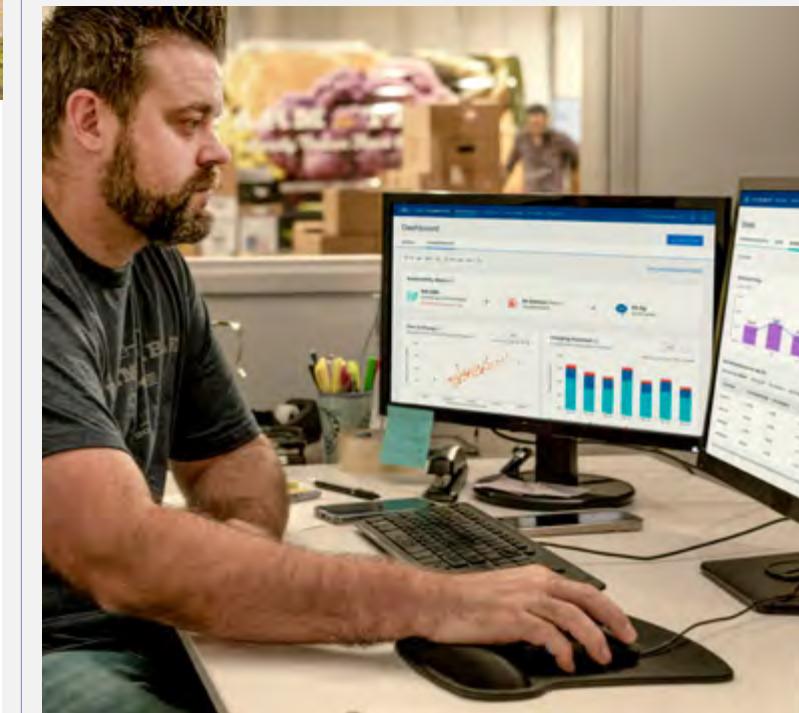


Disrupt

With all eyes, even the U.S. President's, on the reveal of the all-electric F-150 Lightning, the stakes were high. Pulled ahead by more than five months to set the stage for Capital Markets Day, a cross-functional team from across the business came together to execute an accelerated launch plan from conception to reveal night in just 10 weeks. All in, the team is bringing the advanced technologies, new ownership services, strength, and capability of the electric future to our customers much sooner than planned.

Modernize

For commercial vehicle customers, fuel is a major cost, which makes fuel efficiency a major priority. That's why Nicolas Seguin (Manager, Mobility Analytics, Global Data Insights & Analytics) and his team developed Fuel Advisor. Using Ford's telematics platform and connected vehicle data, Fuel Advisor analyzes routes, tracks fuel consumption in real-time, and recommends where/when to refuel to save the most money. Fuel Advisor is another always-on tool, delivering value to customers long after their purchase.



Care for Each Other

Last year, India went through a crippling second wave of the pandemic. Hospitals ran out of medical oxygen almost immediately. So, the Ford Mobility Division in Chennai, India took it upon themselves to secure and expedite an international delivery of oxygen concentrators and cylinders with help from their Ford colleagues in China. A shipment that should have taken weeks took only a few days – and it helped save lives.

A Conversation with Lisa Drake and Sue Slaughter

Lisa: Throughout our business, we've all been impacted in some way by the global pandemic. We – along with the rest of the industry – have been dealing with a global semiconductor shortage that was accelerated by COVID-19. It is forcing us to rethink the way we operate and make changes to the supply chain so that it is more simple, flexible, and quicker to react when problems arise. Sue, how has purchasing navigated through this situation?

Sue: We are working together with our suppliers to ensure we have the supply we need to meet demand. And as we continue to integrate technology and digitally-enabled services into our vehicles, our need for computing power driven by things like chips, has gone up. We saw a similar challenge in our supply of critical materials as well. That is why it is so important that we not only think about how Ford can use our purchasing power to fuel our business needs, but also to advance our focus on sustainability.

Lisa: I'm proud of how our team has worked to be creative and to keep delivering value to our customers. This is such a critical time for Ford, when we are continuing to invest in our business and making the move toward electrification. This is where our partnerships play a critical role in helping make our business more resilient over the long term. Our work with Redwood Materials, for example, is looking at ways to integrate recycled materials into Ford's domestic battery strategy. This is going to be critical to our sustainable leadership into the future.

Sue: Yes, by design, our collaboration with Redwood helps ensure that recyclable materials in battery production scrap and end-of-life products re-enter the supply chain and don't wind up in landfills. Doing that helps reduce our reliance on the existing commodities supply chain that could be quickly overwhelmed by industry demand. That leads us into our aspirational goal

to responsibly sourcing our raw materials. Moving toward the need for more batteries, it is more critical than ever that we maintain our sensitivity to how natural resources are used in our manufacturing process by conserving water, energy and raw materials and looking at alternative sources that we can use, so that we're not so concentrated forward.

Lisa: We're also focused on vertical integration in our EV manufacturing and ramping up research and development in batteries with the launch of Ford Ion Park, as an example. BlueOval City in Tennessee, will become a vertically integrated ecosystem for Ford to assemble the next generation of electric F-Series trucks and will include a BlueOval SK battery plant, key suppliers and recycling. Our new assembly plant at BlueOval City is designed to be carbon neutral and to send zero waste to landfill once fully operational. This is all part of our focus on innovation and sustainable growth. The investments we're making today will help us lead the electric revolution at scale, and in a way that has positive impacts on people and the planet.

Sue: That leads us into our aspirational goal of responsibly sourcing our raw materials. Moving toward the need for more batteries, it is more critical than ever that we maintain our sensitivity to how natural resources are used in our manufacturing process by conserving water, energy and raw materials and looking at alternative sources that we can use.

Lisa: That's right. Part of our focus on ensuring a responsible and ethical supply chain is making sure that we are partnering with other businesses, suppliers, organizations and coalitions that have the same standards and commitments to a sustainable future as we do at Ford. There are so many aspects that come with that – from protecting the environment to respecting human



Lisa Drake
Vice President,
EV Industrialization –
Ford Model e



Sue Slaughter
Purchasing Director,
Supply Chain and Sustainability

rights and setting science-based targets towards carbon neutrality, for example.

Sue: Everything we make and everything that goes into our products throughout the supply chain must comply with not only local laws, but also follow our commitment to sustainability. And a company with the scale that Ford has can really influence the supply chain and business practices across our entire industry. Our membership with IRMA – the Initiative for Responsible Mining Assurance – is an example of this. When we joined IRMA, it was our commitment to consistently achieving that goal by forwarding best practices.. We were the first automaker to join IRMA, so we're leading change within our industry and more broadly across industries with similarly aligned priorities to make progress.

Lisa: Another way we can make progress is through grassroots investments that can address the root causes of some of the human rights concerns within the critical mineral supply chain specifically. Take for example, how Ford and the Ford Fund, our philanthropic arm, are working with international partners to empower women working in copper and cobalt supply chains in the Democratic Republic of Congo. We're making lives better in a real and tangible way. Getting Ford involved in programs that support and promote women to work in our industry is important here.

Sue: It's a unique program and I am proud to see how our partners are investing in the next generation of women-led businesses and interested in how that might help transform our industry for the better. Speaking of women transforming our industry – you have a new role at Ford, helping to lead electric vehicle industrialization as part of our new business model.

Lisa: It's certainly an exciting time to be a part of the team here. We're investing in the areas where we are already strong and using those profits to power the transition to an electric future. Creating distinct businesses that are poised to compete and win helps us deliver for our customers, with the focus and speed of a startup at the leading edge of technology, supported by deep expertise in engineering and high-volume production.

And as we head toward a future of zero-emissions transportation, sustainable manufacturing is core to our current and future business strategy. It allows us to continue to create good jobs along with positive impacts on people and the environment.

Sue: At the end of the day, I think that's an important thing to note – we work hard every day, through the ups and downs of the supply chain, to make sure we have a responsible, sustainable and diverse supply chain.

Living our Purpose

Our Sustainability Strategy



Global Challenges and our Response

People everywhere share the hope of making life better — for themselves, for their children, and for their business. Those dreams are our business.

2021 was a tumultuous year around the globe. The pandemic continued, as did the focus on climate change and racial and economic inequality. At the same time, supply chain issues and demand for goods contributed to rising inflation, which in turn exacerbated inequalities. All contributed to a global mood of uncertainty and urgency. Ford is committed to doing our part to address these shared challenges, driven by our purpose and our commitment to future generations. This is what sustainability means to us.



We know what's good for the planet is good for our customers and our business. What makes me hopeful is that we have all of the tools we need to make a difference for generations to come. We now need to enact the right policies to use these tools effectively and consistently. At the same time, all of us need to consider a Just Transition as we move towards our electric future.”

**Bob Holycross,
Vice President, Chief Sustainability,
Environment and Safety Officer**

Global Challenges

Building a Better World

Communities around the world are already feeling the impacts of climate change. The World Economic Forum (WEF) Global Risks Report 2022 identified climate action failure as the most severe risk on a global scale over the next 10 years. Ford's 2022 trend report showed that 81% of adults, globally, say climate change makes them concerned for their future. Yet, more than half of millennials and Gen Z-ers believe that by 2035 we'll have the technology in place to reverse the effects of climate change. And experts from the Intergovernmental Panel on Climate Change (IPCC) to COP26 have outlined the 2020s as a critical decade to make progress and avoid the worst impacts of climate change.

The COVID-19 pandemic has brought a preview of the disruption that climate change could bring — highlighting inequality and inadequacies in our global healthcare system, disrupting economies and political dynamics within and between countries, laying social and economic justice concerns, and changing the way we live, work, and do business.

All businesses continue to face a challenging economic environment, due to market forces such as rising commodity prices, inflation, debt, and labor market gaps — and the policies and regulations that impact them.

As climate change worsens, extreme weather events are becoming more frequent, **environmental justice** is receiving increasing attention since the costs and challenges of which fall disproportionately on disadvantaged and low-income communities and the developing world. The physical impacts of floods, droughts, heatwaves, and storms, combined with

environmental degradation, threaten food, water, health, and energy security.

Protecting nature and its biodiversity is vital for the economy; all businesses depend on natural resources to support their commercial activities. Through the **G7 2030 Nature Compact**, the G7 Leaders called for the world to not only become net zero, but also nature positive. Nature and biodiversity were meaningfully incorporated into global climate negotiations for the first time at **COP26**. This represents a real paradigm shift in how nations, businesses, investors, and consumers view nature. Our economic activities should not only minimize impact, but also enhance ecosystems.

Consumer expectations and regulatory requirements for products to be made in an environmentally and socially responsible manner are increasing. Legislation is in development or has been recently passed requiring companies conduct actions to address broader human rights, environment, and responsible material due diligence in our business and supply chain. For example, the German Due Diligence Law coming into effect in January 2023, requires companies to address environmental and human rights in their business and through all levels of the supply chain to prevent or minimize risks.

Free to Move

The transition to electric and autonomous vehicles is creating a fundamental shift in driving and mobility. Increased vehicle connectivity, shared mobility and their enabling technologies (such as artificial intelligence (AI), big data & analytics, Internet of Things) have environmental and social implications, which consumers are becoming more aware of — from vehicle and road safety, to raw materials sourcing, to data security and privacy.

These technologies also have the capacity to increase access and mobility to new generations, making our transportation system more equitable and inclusive for more people, including people with a wide range of abilities.

Infrastructure is also top of mind, as we contend with supply chain disruptions, changes in consumer preference for safer modes of travel, and increasing emphasis on developing sustainable infrastructure.

Technology trends, notably automation, AI, digitalization of tasks and services, are dramatically improving efficiency and productivity but may pose higher cyber and data security risks. The adoption of these technologies will also continue to shift the employment landscape.



Global Challenges and our Response – continued

Free to Pursue Dreams

The **widening income gap** and the ongoing scourge of racism and economic inequality in the U.S. and around the world continue, creating tensions within and across borders.

Even with rising awareness and social justice activism, inequity gaps still loom large – both highlighted and exacerbated by the pandemic, which has had a disproportionate impact on low-income communities, ethnic minorities, and women.

Consumers are increasingly expecting companies to respond to social and economic issues that impact their workforce and the communities where they live, work, and serve.

Social justice and diversity, equity and inclusion (DEI) go hand in hand. It is incumbent on society as a whole, and businesses in particular, to innovate and adopt new ways to push for equity in employment, education, and everyday wellbeing, and to create greater DEI at all levels.

Social justice concerns also extend to the automotive industry. At a time when technology is transforming vehicles and how they are made and operated, workers from manufacturing through customer service may need new skills and knowledge. This is a part of the Just Transition challenge.

At COP26 in 2021, a select number of governments supported the conditions for a **Just Transition** internationally. This includes ensuring environmental sustainability as well as decent work, social inclusion, and poverty eradication. The creation of new industries, new jobs, and new skills gives us the opportunity to also create more equal and resilient economies and communities.

Our Comprehensive Response

How well we adapt to these shared challenges from the global trends hinges on our ability to anticipate – and prepare. Driven by our Purpose, we are leaning into change and the disruption of the status quo to build a better world in which all people are free to move and dream – for generations to come.

A key aspect of this change is our ability to leverage technology to power our transformation to electrification and build a sustainable electric vehicle ecosystem. We are aligning our ambitions with action and leading by example within our industry and among global companies working to build a better future.

→ [Read more in Our Sustainability Strategy section on p.28](#)

Building a Better World

Achieving Carbon Neutrality

Ford has committed to achieve carbon neutrality worldwide across our vehicles, facilities and suppliers no later than 2050, and we have set out a strategic path to accelerate our progress, backed by science-based targets. This includes cutting GHG emissions across the use of our vehicles, driving energy efficiency and conservation in our facilities and manufacturing processes, and partnering with our suppliers to reduce their environmental impacts. Ford is the only full-line U.S. automaker to align with the Paris Agreement and to stand with the California Air Resources Board in support of stronger vehicle GHG emissions standards. And we are proud to stand with governments around the world working to meet the goals of the Paris Agreement.

We are taking into account that this transition will vary from country to country, and in some emerging markets it may take longer. Given their progressive policies, we expect the leading markets like Europe, United States, and China to be carbon neutral before the rest of the world.

→ [Read more in:
Climate Change section on p.83
TCFD Report](#)

Free to Move

Leading the Electrification Revolution

Ford is building the future of zero-emission vehicles and breaking constraints to lead the electric revolution, investing \$50 billion from 2022 through 2026 in electric vehicles and the batteries that power them. Electrification amplifies the attributes our customers love, such as performance, capability, and convenience. Within our new line-up, disruptive technology allows us to enrich the customer experience and improve performance, safety, and accessibility. We're focusing on what we build and how we build them to make EVs that are sustainable, accessible, and affordable for more people. We're reducing the effects of our operations and supply chains through world-class facilities, including our commitment to sourcing 100 percent carbon-free electricity for our global operations by 2035. And by using recycled and renewable materials in our vehicles, we're reducing landfill waste and using fewer natural resources.

A major component of EVs is the batteries that power them. We work with our suppliers and business partners

for responsible raw material sourcing and enhance battery recycling, and to build out battery recycling and a domestic battery supply chain for our electric vehicles.

Customers' response to the electrification of our iconic vehicles – the F-150 Lightning, the Mustang Mach-E, and the E-Transit – has exceeded our expectations.

To provide EV customers with confidence on the road, Ford is delivering North America's largest public charging network, BlueOval Charge, with more than 20,500 charging stations and 70,000 individual charge plugs, and growing.⁶ Built-in charging solutions route customers to nearby charging stations, recommend where to charge on trips and provide easy access and payment via FordPass for a seamless customer experience.

→ [Read more in:
Electrification and Connectivity section on p.44
Redwood battery recycling story on p.97
Carbon-Free Electricity and Energy Future section on p.91
Responsibly Sourced Raw Materials on p.68](#)



Global Challenges and our Response – continued



Our team has been successful in inventing new sustainable materials because we are willing to try things in the lab that others aren't. We had been warned that soy foam wouldn't work, and today it's in every Ford North American-built vehicle. Sustainability should be a consideration in every aspect of everything we do, and we need to be open to new, sometimes seemingly crazy ideas. It is tempting to think something won't work and give up before you've started. If we could change that notion, then we can do anything!"

Debbie Mielewski,
Ford's Technical Fellow of Sustainability



Designing truly incredible electric and software-driven vehicles – with experiences customers can't even imagine yet – requires a clean-sheet approach. We are creating an organization that benefits from all of Ford's know-how and capabilities, but that can move with speed and unconstrained ambition to create revolutionary new products."

Doug Field,
Chief EV and Digital Systems Officer, Ford Model e

Expanding Access and Mobility

We are investing to help make mobility more seamless and accessible, while improving safety, efficiency, and sustainability. While the policy and legal framework around autonomous vehicles has not been fully developed, we remain focused on improving the technology, building a robust self-driving system, and offering affordable mobility solutions.

We are also considering the related issues of safety and data security. First, our customers and other stakeholders must trust that autonomous vehicles will operate as designed and vehicle safety is a top priority. Second, Ford has more access than ever before to data coming from apps, location services, and driving habits, and the opportunity to pull data from customers will only increase. If data is handled correctly, we have the opportunity to improve our customer relationships. It is imperative that our customers trust our ability to protect their data and ensure their privacy. This is why we adopt a holistic approach that includes policies focused on transparency, responsible data handling and use, and choice.

→ [Read more in:
Mobility Solutions and Autonomous Vehicles section on p.50
Data Protection, Privacy and Security section on p.102
Data Privacy Policy](#)

Supporting a Just Transition

Ford identified addressing Just Transition as part of how we manage climate change, one of our salient human rights issue. We are developing a strategy where workers, communities, and our supply chain, as well as our customers, are being considered in the transition to a net-zero economy.

→ [Read more in:
Human Rights and Supply Chain Management section on p.65
Human Rights Report](#)



Building a Diverse and Resilient Workforce

For decades Ford has enjoyed a strong employment reputation among traditional industrial companies. With the significant shift in skills needed to lead the electric revolution, we must prepare our workforce and compete for new talent in a more diverse, digital, and tech workforce.

We're investing more than \$525 million in the United States over the next five years to train auto-technicians for electric vehicles. And we're developing programs through which our employees can develop and maintain the skills they need.

→ [Read more in:
Human Capital and Diversity, Equity and Inclusion section on p.55](#)

Protecting Human Rights

Human rights and due diligence demands on our business including our supply chain continues to drive improvements in the industry. In 2020, the World Benchmarking Alliance recognized Ford as one of the leading companies in supply chain management and the leading automotive company in performance against the [Corporate Human Rights Benchmark \(CHRB\)](#).

However, the average score for automotive companies in the CHRB-benchmarked sector indicates improvements in respecting human rights can be made particularly in demonstrating management of risks within their supply chain.

→ [Read more in our Human Rights Report](#)

Pursue Dreams

Building Ethical and Sustainable Supply Chains

As we strengthen our global sustainability commitment, we are faced with the challenge of bringing our global suppliers with us. With approximately 4,500 Tier 1 supplier sites around the world, our robust and sustainable supply chain is of crucial importance, with transparency the key to monitor supply and performance.

Our strategy is to build supply base capacity that exceeds minimum regulatory compliance requirements and creates shared business value, primarily in four focus areas: protecting and respecting human rights, protecting the environment, responsibly sourced materials, and maintaining responsible business practices.

→ [Read more in:
Climate Change section on p.83
Human Rights and Supply Chain Management section on p.65](#)

Global Challenges and our Response – continued



Financing our Future

The Sustainable Financing Framework we announced in November 2021 – on the fifth anniversary of the Paris Agreement – focuses on our ambitious plans in clean transportation, clean manufacturing, making lives better, and community revitalization.

Our dealer and supply chain network will be critical to this transformation. Our Sustainable Financing Framework outlines how we're investing in environmental and social projects in this way – issuing an inaugural \$2.5 billion Green Bond – is a first for a North American automaker.

→ [Read more about the Sustainable Financing Framework](#)

At Ford, an amount equal to the net proceeds from sustainable financing will be allocated and invested in four areas:

- **Clean Transportation** – Designing, developing, and manufacturing zero-emissions transportation, including electric vehicles and the batteries that power them across the full spectrum of design, development, manufacturing, and recycling.

→ [Read more in:
Driving Innovation and Sustainable Growth section on p.41
Electrification and Connectivity section on p.44
Redwood battery recycling story on p.97](#)

- **Clean Manufacturing** – Reducing further the environmental footprint of Ford's operations through renewable energy, sustainable water and wastewater management, waste management, and the circular economy.

→ [Read more in:
Carbon-Free Electricity and Energy Future section on p.91
Water Use and Stewardship section on p.93
Waste Management section on p.95](#)

- **Making Lives Better** – Advancing economic opportunity and equity for underrepresented and/or disadvantaged populations including projects that help widen Ford's supplier and dealer diversity networks and social enterprises that benefit underrepresented populations.

→ [Read more in Human Capital and Diversity, Equity and Inclusion section on p.55](#)

- **Community Revitalization** – Creating and renovating spaces to provide employment opportunities and access to essential services and amenities. Examples include the redevelopment of Michigan Central Station in Detroit's Corktown neighborhood into the center of a new mobility innovation district with community hubs, open spaces, and shared amenities.

→ [Read more in Socioeconomic Contribution and Community Engagement section on p.79](#)

At Ford Credit, an amount equal to the net proceeds from sustainable financing will be allocated and invested in two areas:

- **Clean Transportation** – Offering automotive financing products for EV, Fuel Cell, other carbon neutral vehicles, or Plug-in hybrid electric vehicles which meet strict European emissions standards. Financing may also relate to installation of charging infrastructure for individual customers or dealers.

Making Lives Better – Expanding access to essential financing services and advancing economic opportunity and equity. Examples include supporting underserved, yet credit-worthy populations with access to credit or offering payment extensions to provide relief to customers impacted by public health emergencies, natural disasters, or other such events.

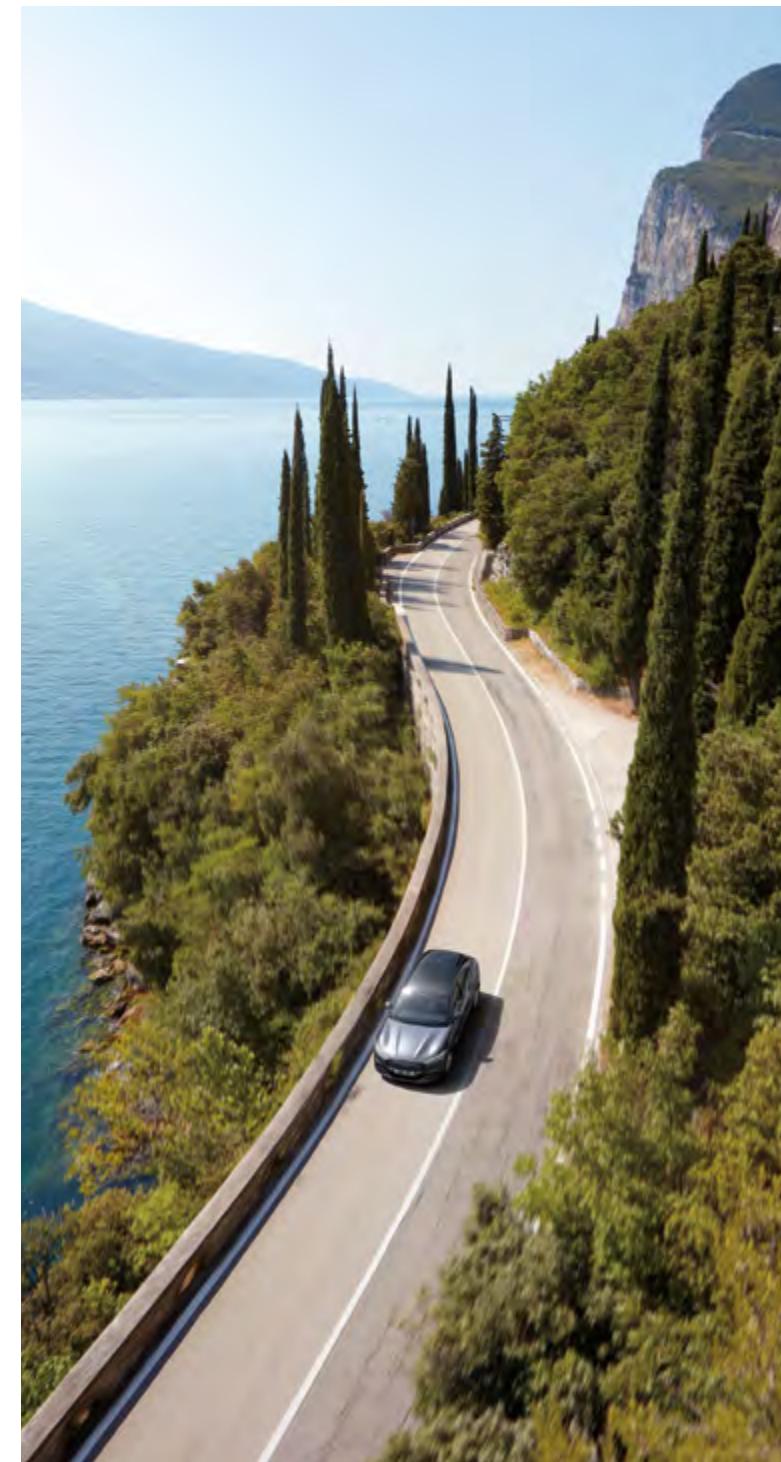
Ford also has \$15.5 billion in revolving credit lines which now include key metrics that further align our financing actions with our commitment to operate a safe, sustainable, and successful business – including how the company is leading the electric-vehicle revolution.



Winning businesses are financially healthy and lead in sustainability – it's not a choice, they rely on each other. We're again putting our money where our mouth is, prioritizing and allocating capital to environmental and social initiatives that are good for people, good for the planet, and good for Ford.”

John Lawler,
Chief Financial Officer

Our Sustainability Strategy



Our sustainability strategy is to make a positive contribution to society and the environment.

A better world for all requires a future that's inclusive, equitable, and sustainable. As we continue our journey to electrification and carbon neutrality, we are committed to a strategy that addresses our people, our planet, and our customers. It is at the heart of our purpose, and it is driving our path forward.

That's why Ford is acting now to produce no-compromise electric vehicles like the Mustang Mach-E, F-150 Lightning and E-Transit. And it's why we're aiming to reach carbon neutrality no later than 2050, by reducing emissions from our operations and throughout our entire supply chain, while pushing the boundaries of innovation and technology.

We're reimagining how EVs – and the batteries that power them – are designed, manufactured, and recycled, creating an all-new electric vehicle manufacturing ecosystem. We're also working closely with our suppliers, from factories to mines for raw materials, to both reduce carbon emissions and help the people and communities around them thrive.

We are building a more equitable and inclusive business through our focus on making a positive impact. Through our community engagements we are making lives better. And we are building a culture where everyone feels they belong. We are committed to leadership in human rights and the environment in every single part of our business, because fulfilling our purpose depends on it.

Our Strategies

Our approach to sustainability involves helping to meet the collective challenges the world faces, across a range of issues. We have developed these specific strategies to address them and achieve our Sustainability Aspirations outlined on the following page.

People Strategy

We are fostering a culture of belonging for every employee and creating the freedom to move throughout the organization and pursue their dreams. We are committed to our DEI north star: We are family. We celebrate our differences. We all belong. Guided by these principles, we are focused on building a workforce that is equipped to meet the challenges ahead.

→ [Read more in Human Capital and Diversity, Equity and Inclusion section on p.55](#)

Human Rights Strategy

We are formally committing to respecting human rights through our policy, [We Are Committed to Protecting Human Rights and the Environment](#), we are also working with our supply chain to make sure our suppliers and business partners do the same. We are addressing and evolving our Just Transition strategy as we move towards carbon neutrality and electrification.

→ [Read more in Human Rights and Supply Chain Management section on p.65 and in our Human Rights Report](#)

Climate Change Strategy

Achieving carbon neutrality no later than 2050 is driving our climate change strategy. To achieve our carbon neutrality goal, we are focusing on three areas that account for approximately 95% of our CO₂ emissions – our vehicles, our operations, and our supply chain.

→ [Read more in Climate Change section on p.83](#)

Sustainable Materials Strategy

We are committed to recycling plastics and using renewable, plant-based materials in production vehicle parts. Our closed loop recycling system maximizes aluminum recycling in our plants and minimizes the need for primary metal. We aspire to utilize only recycled or renewable content in vehicle plastics.

→ [Read more in Sustainable Materials section on p.96](#)

Carbon-Free Energy Strategy

We are committed to reducing the effects of our operations and supply chains through world-class facilities, including our commitment to sourcing 100 percent carbon-free electricity for our global operations by 2035. To replace fossil-based generation, we'll be procuring a mix of wind, solar power, nuclear, geothermal, biomass, energy storage, and hydro.

→ [Read more in Carbon-Free Electricity and Future section on p.91](#)

Water Strategy

Our 2025 Global Manufacturing Water Strategy aims to continue Ford's position as a leader in water reduction and secure optimal freshwater availability in local communities. We continue to integrate more water-efficient processes and technologies as we work to further decrease our water consumption.

→ [Read more in Water Use and Stewardship section on p.93](#)

Waste Strategy

The focus of our global waste strategy is to manage and minimize the waste we generate. We strive to reduce costs and keep waste out of landfill. We aim to eliminate single-use plastics from our operations by 2030 and aspire to reach true zero waste to landfill across our operations.

→ [Read more in Waste Management section on p.95](#)

Our leadership in sustainability enables our business today, sets us on the pathway for a continued strong business for decades to come, and will help build a better world, where every person is free to move and pursue their dreams.

Climate Change

Achieve carbon neutrality no later than 2050

Waste

Reach true zero waste to landfill across our operations

Eliminate single-use plastics from our operations by 2030

Air

Attain zero emissions from our vehicles and facilities

Energy

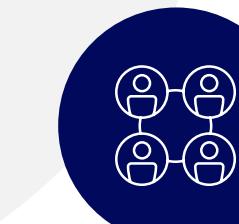
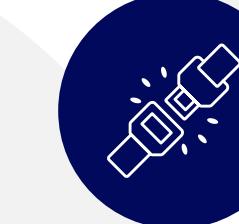
Use 100 percent carbon-free electricity in all manufacturing by 2035

Water

Make zero water withdrawals for manufacturing processes

Use freshwater only for human consumption

Our Sustainability Aspirations



Materials

Utilize only recycled or renewable content in vehicle plastics

Safety

Work toward a future that is free from vehicle crashes and workplace injuries

Human Rights

Source only raw materials that are responsibly produced

Diversity, Equity and Inclusion

Create a truly diverse culture where everyone feels like they belong

Access

Drive human progress by providing mobility and accessibility for all

Accelerating Progress

As we take leadership of the electric revolution, we can provide new sustainable vehicles and mobility solutions that positively impact health and safety around the world – from human rights to climate change. Below, we have summarized our progress, including examples of how we're working toward them.

Sustainability Aspirations



Climate Change

Achieve carbon neutrality no later than 2050

Read more on p.83

Goals

Vehicles:

- Accelerate our electrification strategy
- Improve fuel economy across our global vehicle lineup, consistent with regulatory requirements and our commitment to the Paris Agreement
- Offer alternative fuel vehicles

Facilities:

- Reduce global facility GHG emissions by 18% (2019–2023)

Suppliers:

- Establish baseline for supplier CO₂ emissions and develop a joint roadmap for performance improvements
- Work with selected suppliers to reduce our collective environmental footprint through PACE

Progress

Vehicles:

- By 2024, Ford will have the global capacity to produce 600,000 electric vehicles annually
- By 2026, annual production of more than 2 million EVs; expect EVs to represent half of global volume by 2030
- Investing \$50 billion in electric vehicles from 2022 through 2026
- Joined RouteZero, a global coalition working towards 100% zero-emissions cars and vans globally in leading markets no later than 2035
- Ford Maverick pickup is the first-ever standard full-hybrid pickup in America, and the most fuel-efficient truck on the market with an EPA-estimated rating of 42 miles per gallon in the city*
- All diesel vehicles are compatible with low-level biodiesel blends (B20 in U.S., B7 in Europe). Also in Europe certain vehicles are compatible with paraffinic diesel (EN 15940) such as HVO/E-diesel. Paraffinic diesel can be blended with standard fossil diesel fuel resulting in up to 33% renewable content.

Facilities:

- Achieved a 35% reduction in our absolute manufacturing GHG footprint since 2017 through improved energy efficiency and conservation at our facilities and in our manufacturing processes
- Ford and SK Innovation plan to invest \$11.4 billion and create nearly 11,000 new jobs in Tennessee and Kentucky with production of the electric vehicles and lithium-ion batteries in 2025, creating our first greenfield carbon neutral facilities
- Invested \$1 billion to modernize our vehicle assembly facility in Cologne to turn it into the Ford Cologne Electrification Center
- Joined the U.S. Department of Energy's Better Climate Challenge to reduce GHG emissions from our facilities by at least half by 2030

Suppliers:

- Received GHG emissions data from 262 production suppliers (12% more than last year) using CDP Supply Chain program's Climate Change questionnaire
- Shared GHG emission reduction best practices with nearly 80 key Tier 1 suppliers through PACE
- Increased FastPACE participation by over 60% from 2020, sharing Ford best practices in GHG emission reduction with suppliers from China, India, Thailand, and South Africa

*2.5L Hybrid powertrain. Actual mileage will vary.

Links to SDGs



Accelerating Progress – continued

**Sustainability
Aspirations****Air**

Attain zero emissions
from our vehicles
and facilities

[Read more
on p.92](#)

Goals

Air emissions reductions
other than CO₂

Progress

- The tailpipe emissions of our vehicle fleet will drop significantly as our EV sales percentage grows
- Working to reduce vehicle emissions of non-CO₂ pollutants, in accordance with increasingly stringent standards around the world
- Ford manufacturing facilities in China have reduced VOC emissions by more than 600 tons per year since 2015 through various management and engineering investment measures, contributing to cleaner air
- Shared air emission reduction best practices with nearly 80 key Tier 1 suppliers through PACE

**Links to
SDGs****Energy**

Use 100 percent carbon-free
electricity in all manufacturing
by 2035

[Read more
on p.91](#)

Achieve 32% renewable electricity
by 2023 and 100% carbon free
electricity by 2035

- Global amount of renewable electricity for 2021 was 32.4%
- Dearborn truck plant, Michigan assembly plant and several new buildings on our Research and Engineering and Corktown campuses are powered by 100% locally sourced renewable electricity
- All remaining manufacturing and large commercial facilities in Michigan will be sourced with 100 percent carbon-free electricity by 2025



Accelerating Progress – continued

**Sustainability
Aspirations****Waste**

Reach true zero waste to landfill across our operations

Eliminate single-use plastics from our operations by 2030

[Read more on p.95](#)

**Water**

Make zero water withdrawals for manufacturing processes

Use freshwater only for human consumption

[Read more on p.93](#)

Goals

Reduce waste to landfill by 35% when measured in kg per unit

Reduce general trash by 25% when measured in kg per unit

Improve waste avoidance by 15% when measured in kg per unit

Work with selected suppliers to reduce our collective environmental footprint

Reduce absolute freshwater use by 15% by 2025

Continue to work towards using freshwater sources for human consumption

Work with selected suppliers to reduce our collective environmental footprint through PACE

Engage with our supply chain to understand and reduce its water footprint

Progress

- Beginning in the third quarter of 2021, Ford manufacturing plants in China have achieved zero waste to landfill (ZWTL). Waste generated in all factories are either being managed for thermal destruction with or without energy recovery or recycled, instead of being sent to landfills for final disposal
- 89 zero waste to landfill (ZWTL) sites globally, including manufacturing and non-manufacturing sites
- 74% of manufacturing facilities are true ZWTL
- In 2021, Ford facilities globally sent approximately 16,300 metric tons of waste to landfill, 7% less than in 2020

- Standardizing the tracking and sorting of waste to increase recycling and reuse

- Implementing technologies and programs that minimize waste
- Working with suppliers to increase the use of eco-friendly packaging

- Shared waste reduction best practices with nearly 80 key Tier 1 suppliers through PACE
- Increased FastPACE participation by over 60% from 2020, sharing Ford best practices in waste reduction with suppliers from China, India, Thailand, and South Africa

- More than 12.5 billion gallons of water saved since 2000

- Installed more non-water-based technologies and are using alternative sources such as other companies' treated wastewater
- Increased the use of offsite alternative water by 6%
- Incorporating more water processes and technologies in our assembly plants, including water reuse and recycling systems

- PACE suppliers expect to save an estimated 182 million gallons of water in their operations from 2020 to 2030
- Increased FastPACE participation by over 60% from 2020, sharing Ford best practices in water conservation with suppliers from China, India, Thailand, and South Africa

- 196 of our suppliers (14% increase over last year) responded to the CDP Water questionnaire

**Links to
SDGs**

Accelerating Progress – continued

**Sustainability
Aspirations**

Materials

Utilize only recycled or renewable content in vehicle plastics

[Read more on p.96](#)



Safety

Work toward a future that is free from vehicle crashes and workplace injuries

[Read more on p.62 and p.69](#)

Goals

Expand our use of sustainable materials focusing on plastics, battery recycling, and sustainable sourcing

Progress

- More than 85%¹⁵ of vehicle parts and materials are recycled and reused at their end of life
- Established an interim target of 20% renewable and recycled plastics by 2025 in new vehicle designs for North America and Europe, and 10% in China and Turkey
- Ford is the first automaker to use 100% recycled ocean plastics to produce automotive parts
- The closed loop recycling system used to build F-Series recovering up to 20 million pounds of high-strength, military-grade, aluminum alloy per month.
- Collaborating with Redwood Materials to integrate battery recycling into our domestic battery strategy
- Since 2000, we have used 12 industry- and world-first plant-based materials in our production vehicles
- Researching the possible use of tomato skin, bamboo, agave fiber, dandelion root, algae, almond shells, and hemp fiber as materials
- Created a cross-functional Responsible Materials Council to improve visibility to sustainable materials

**Links to
SDGs****Safety and quality:**

Design and manufacture vehicles that offer innovative driver assist technologies

Safety and quality:

- For the 2021 model year, a total of 20 Ford and Lincoln nameplates were rated with 5-Star Overall Vehicle Scores in one or more markets across the U.S., Europe and China New Car Assessment Program (NCAP) as of January 2022
- In the J.D. Power 2021 APEAL study, which measures owners' emotional experience with their new vehicle, the Ford Mustang Mach-E and Bronco Sport were first in their segments, Compact SUV & Small SUV respectively

Play a leading role in vehicle safety and driver assist research and innovation

- Overall, Ford was placed fifth among 18 mass market brands and Lincoln was fourth among 13 premium brands in the J.D. Power 2021 APEAL study
- In the J.D. Power 2021 Initial Quality Study Lincoln improved and now ranks third among 14 premium brands. Ford tied the industry average. The Lincoln Corsair, Ford Ranger, and Ford Super Duty all are ranked within the "Top 3" of their respective segments

Health and safety:

Fatalities target is always zero

Health and safety:

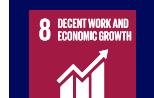
- In 2021, we experienced three fatalities within our operations. Because each loss of life is unacceptable, cross-functional teams worked extensively to identify and implement controls to address the hazards which created these life-changing events

Zero serious injuries, attain industry competitive lost time and drive continuous improvement

- In 2021, our global Lost-Time Case Rate (LTCR) was 0.35

Maintain or improve employee personal health and wellbeing

- We continue to provide programs and services that help employees achieve good health and wellbeing and make informed choices



Accelerating Progress – continued

Sustainability
AspirationsHuman
Rights

Source only raw materials that are responsibly produced

Read more on p.65

Goals

We are committed to protecting human rights and the environment

Help suppliers build their capacity to manage supply chain sustainability issues

Assess Tier 1 suppliers' compliance with Ford's Supplier Code of Conduct requirements and expectations

Progress

- Published our updated [We Are Committed to Protecting Human Rights and the Environment policy](#)
- Integrated the new [Supplier Code of Conduct](#) within Ford's Global Production Terms and Conditions as a requirement to conduct business with Ford
- Published first [Human Rights Report](#) and conducted our third formal salient human rights assessment
- Signed the Action Pledge for the UN's International Year for the Elimination of Child Labour
- Just Capital rating, WBA social transformation score: #1 in auto sector and included in top 10%
- Since 2004, conducted more than 70 human rights audits to assess how our facilities align with our We Are Committed to Protecting Human Rights and the Environment Policy

- Expanded our Sustainability Self-Assessment Questionnaire (SAQ) program to verify supplier alignment with new Supplier Code of Conduct
- Achieved a 100% response rate from in-scope suppliers to submit an annual Conflict Minerals Reporting Template
- Initiated mica due diligence program
- Became the first U.S. automaker to join the Initiative for Responsible Mining Assurance (IRMA). Requested that suppliers using mined materials communicate Ford's aim to source materials originating from IRMA assessed mines
- Initiated supply chain mapping and auditing to understand the sources of the cobalt, nickel and lithium used in our electric vehicles (EVs)
- Created a cross-functional Responsible Materials Council to improve visibility to sustainable materials
- Launched a project to empower women artisanal cobalt miners in the Democratic Republic of the Congo (DRC)

Links to
SDGs

Accelerating Progress – continued

**Sustainability
Aspirations**

Diversity, Equity and Inclusion (DEI)

Create a truly diverse culture where everyone feels like they belong

Read more on p.55



Access

Drive human progress by providing mobility and accessibility for all

Read more on p.50

Goals**Progress**

Integrate DEI across the enterprise

- Firmly embedded DEI in our Culture Operating System to support our overall corporate strategy

Create an environment of inclusion

- Expanded our DEI employee audit to seven additional countries

Drive DEI-focused learning to create awareness, deepen understanding and lead with action

- Continued to use Employee Resource Groups to serve their membership, the business, customers and communities around the globe
- Hosted second annual global DEI Week

Promote gender parity and equal pay

- Published U.S. Gender and Race/Ethnicity Metrics and our annual EEO-1 report, including pay parity data
- For the fourth year in a row, Ford was included in the Bloomberg Gender-Equality Index (GEI)

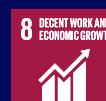
Continue to purchase from veteran-, minority- and women-, LGBTQ-, disability-owned, and small businesses

- In 2021 we purchased goods and services worth more than \$9.7 billion* from minority-owned suppliers, women-owned businesses, veteran-owned companies, and small businesses

*Data updated May 23, 2022.

Deliver our autonomous vehicle and mobility plan, with a focus on emerging opportunities in mobility

- Ford and Argo AI to launch initial commercial deployment of autonomous vehicles on the Lyft ride-hail platform in 2022 in two U.S. cities – Miami and Austin – with plans to scale
- Working with Argo AI and Walmart to launch autonomous delivery with Ford autonomous vehicles in Miami, Austin, Texas, and Washington, D.C. – Walmart's first multi-city autonomous delivery collaboration in the U.S.
- Remain committed to our planned investment in self-driving technology of \$7 billion through 2025
- Continue to test autonomous technology in partnership with Argo AI. With new Argo Lidar, a critical component for a safe autonomous service, integrated on Ford autonomous vehicles, it will allow Ford to expand services beyond dense urban areas to suburbs connected by highways day or night
- Operating a fresh food delivery pilot with an autonomous shuttle out of the Ford Resource and Engagement Center in Southwest Detroit through the summer of 2022

**Links to
SDGs**

How We Create Sustainable Value

As we advance our electrification strategy and realize our mobility, connectivity, and sustainability aspirations under Ford+, we increasingly focus our attention on services, systems and relationships that create long-term value, earn trust, and meet evolving needs to build a better world.

Our Purpose

To help build a better world, where every person is free to move and pursue their dreams.

Our Enablers

Human Capital

- 182,789 employees
- 9,955 dealerships
- 1,200+ Tier 1 suppliers
- 11 internal Employee Resource Groups
- Ford Culture Cabinet

Social Capital

- Community engagement for 70+ years through Ford Motor Company Fund, our philanthropic arm
- Partnerships with nonprofits, community organizations, and Ford dealers in 50+ countries
- Strategic partnerships with investors, industry bodies, and partner companies

Financial Capital

- \$50 billion planned investment in electric vehicles from 2022 through 2026
- \$7 billion planned investment in self-driving technology through 2025
- During the 2018-2022 period, expect to have incurred the vast majority of \$11 billion in EBIT charges related to our global redesign

Manufactured Capital

- 48 manufacturing and assembly plants¹⁶
- 8 regional engineering and R&D centers
- Product Development Center
- Modernizing EV production

Intellectual Capital

- 3,286 global patents issued
- Connectivity and connected services
- FordPass network
- Global Data Insight and Analytics
- D-Ford human-centered design process

Natural Capital

- 9.84 billion kWh of energy used
- 14.2 million m³ of water used for manufacturing processes
- 12 renewable materials used
- Corktown Biomimicry Pilot project

Our Business



Our Positive Impact

In 2021

Employees

- Health and wellbeing programs for employees and families
- Competitive salaries and benefits
- Employee training and development
- Culture of caring and belonging

Customers

- 3.942 million wholesale vehicles sold
- Refreshed product portfolio
- Access to EV charging networks
- Pickup and drop off maintenance service
- Improved vehicle safety and driver assist technologies

Investors

- Strong balance sheet
- More transparent reporting for investors

Suppliers

- Training to build capacity to manage supply chain sustainability issues
- \$9.7 billion spent with minority-, women- and veteran-owned companies and small businesses
- CO₂ emission reduction targets collected and assessed to develop joint roadmap supporting carbon neutrality aspiration
- Sustainability best practices shared with suppliers through PACE programs
- Responsible sourcing of raw materials

Communities and Society

- Invested \$74.4 million in charitable contributions
- \$700,000 to advance humanitarian missions of 149 employee-nominated nonprofits in 34 countries during Global Caring Month
- Delivered 2.5 million pounds of food through Ford community resource centers in Detroit
- Supported ongoing COVID relief efforts through partnerships with hundreds of community organizations worldwide
- Responsible mineral sourcing program trains women in the Democratic Republic of Congo

Planet

- 35% reduction in GHG footprint since 2017
- 78% freshwater reduction in water use since 2000
- 89 true zero waste to landfill sites
- Fuel economy improvements
- Recycle millions of pounds of aluminum per month

Our Material Matters

Ford manages and tackles a range of sustainability issues. When it comes to effective and strategic sustainability reporting, we must decide on what information is most important and to whom. Our materiality assessment helps us identify, refine, and assess key environmental, social, and governance issues to inform our corporate sustainability strategy and reporting.

Our Materiality Process

We conduct materiality assessments every two years, and carried out our most recent analysis in early 2021. We consider material information to be of greatest interest to our stakeholders, so they can make informed decisions and judgments about the company's commitment to environmental, social, and economic progress.

The process involves:

- Identification:** We created and maintain a list of potential issues, grouped into four categories: Environment, Social, Governance, and Economic. These were identified through research that included a peer review, stakeholder interviews, a media scan, and an assessment of sustainability thought leadership from industry experts and associations.
- Prioritization:** We continue to identify and prioritize key challenges and opportunities that we address through our Ford+ plan and other initiatives.
- Review:** The results of the analysis were reviewed by a range of internal and external stakeholders. We made revisions based on the analysis to ensure that our process and list of issues were comprehensive and well understood, and reflected stakeholder views and feedback.

Materiality Results

The analysis identified our most material issues as:

- Electrification and alternative fuels/batteries
- Vehicle product safety and quality

- Economic performance
- Climate change, air quality and renewable energy/energy future

We acknowledge emerging trends and assess them for inclusion as they arise. COVID-19 has reinforced the importance of putting people first and embracing disruption to evolve. The emerging trends identified as affecting our business are climate change, public health, geopolitics, safety standards, data protection, privacy and security, and sustainable cities.

Our Materiality Matrix

The materiality matrix plots the ratings of each issue. The x-axis represents the impact that economic, environmental, and societal issues have on our business, while the y-axis represents the influence on stakeholder decision-making. Issues found toward the upper right-hand corner of the matrix are of higher influence and importance to both Ford and stakeholders.

Aligning with the thoughts of some of our stakeholders, we believe that:

- COVID-19 doesn't represent a material issue in and of itself; rather, it acts as an amplifier of the positive and negative impacts of other material issues
- Just Transition and climate justice sit at the intersection of many material issues, but do not need to be called out specifically

→ [Read more about our approach to materiality and for definitions of material issues in our GRI Index in our ESG Data Book](#)

Materiality Matrix



Materiality matrix based on internal and external rankings, and validation workshop

- 1 Electrification and Alternative Fuels/Batteries
- 2 Vehicle/Product Safety and Quality
- 3 Economic Performance
- 4 Climate Change, Air Quality and Renewable Energy/Energy Future
- 5 Employee Wellness, Health and Safety
- 6 Human Rights and Supply Chain Management
- 7 Transparency, Ethics and Integrity
- 8 Human Capital and Diversity, Equity and Inclusion
- 9 Mobility Solutions and Autonomous Vehicles
- 10 Data Protection, Privacy and Security
- 11 Customer Engagement, Marketing and Satisfaction
- 12 Government Regulations, Policy and Engagement
- 13 Accountable and Inclusive Governance
- 14 Socioeconomic Contribution and Community Engagement
- 15 Sustainable Materials – Material Design and Management
- 16 Water Use/Water Stewardship
- 17 Waste Management

● Environment ● Economic/Innovation ● Society ● Governance

Our Stakeholders

Building a better world can only be accomplished through collaboration.

Finding a solution to the climate crisis will require meaningful participation from all of us, from government to environmental advocates and the private sector. Through dialogue with our stakeholders, we build trust, identify trends and emerging issues, and have the support we need to achieve both our business goals and sustainability aspirations.



Ceres Stakeholder Committee

As in recent years, a stakeholder team selected by Ceres provided recommendations for our future reporting. Representing a range of constituencies and expertise the most recent Ceres Stakeholder Committee convened on Feb. 28, 2022. Ford's responses to their recommendations are summarized below.

→ [Read more about our Stakeholders and how we engaged with them in our GRI Index in our ESG Data Book](#)

Ceres Recommendation:

Support strong fuel economy standards for model year (MY) 2027 through MY 2030.

Ford Response:

We believe that climate change is a shared global challenge that affects all of us. Ford has strengthened its support for commitments to limit global temperature increases consistent with the Paris Agreement. Ford seeks to achieve carbon neutrality globally no later than 2050 across our vehicles, suppliers, and facilities, and we have set out a strategic path to accelerate our progress, backed by science-based targets. Ford is the only full-line U.S. automaker committed to doing its part to reduce CO₂ emissions in line with the Paris Agreement and working with California for stronger vehicle GHG standards. Ford supports EPA's proposals to increase the stringency of fuel economy standards, which intend to deliver similar GHG reductions as the California Framework Agreement.

Ceres Recommendation:

Provide more information about the full lifecycle impact of vehicles.

Ford Response:

Automobiles are among the world's most recycled consumer products. Over 85% of vehicle parts and materials are actually recycled and reused at their end of life.¹⁵ By using recycled and renewable materials in our vehicles' design, we're reducing landfill waste and using fewer natural resources. Ford is the largest automotive closed-loop aluminum recycler in the world. We worked closely with our aluminum sheet suppliers to create unique alloys just for closed-loop recycling.

Our LCA-based studies evaluate potential environmental implications of vehicle raw materials and manufacturing; for example, recycled polymers, cradle-to-gate impacts of lithium-ion batteries, and additive manufacturing. We are collaborating with Redwood Materials to integrate battery recycling into our domestic battery strategy. Redwood's recycling technology can recover, on average, more than 95% of strategic materials such as nickel, cobalt, lithium and copper.

Ceres Recommendation:

Provide more information around data privacy and driver and pedestrian safety as they relate to autonomous vehicles (AVs).

Ford Response:

We have adopted a holistic approach to protect customers' data and ensure their privacy that includes policies focused on transparency, responsible data handling and use, and choice. Ford has integrated cybersecurity with all stages of the vehicle lifecycle. This includes following established global cybersecurity standards (UNECE R155) for automakers and adopting the Automotive Consumer Protection Principles developed by the Alliance for Automotive Innovation. We proactively assess the impact of cybersecurity on new areas such as data privacy, Ford Co-Pilot360 semi-automated driver assistance technologies and development of our fully autonomous vehicles.

Ford continues to collaborate with others to test autonomous vehicle technologies within several associations, as well as with lawmakers, regulators, and the public to realize the safety and societal benefits of autonomous vehicles.

Ceres Recommendation:

Strengthen disclosure of supply chain risks and work to increase traceability and visibility within the supply chain.

Ford Response:

In 2021, we initiated battery supply chain mapping with RCS Global Group to gain greater transparency about the sources of the cobalt, nickel and lithium used in our EVs. This multi-commodity responsible sourcing audit program will strengthen our responsible sourcing capacity and drive

continual improvements in transparency and responsibility in our raw material supply chains. Also, in 2021, we introduced a 100% response rate requirement from all in-scope suppliers for our cobalt due diligence program.

Ceres Recommendation:

Make accessibility, meaning access to EVs and EV infrastructure, a focal point of Just Transition programs.

Ford Response:

We support a transition to electrification that is economically equitable. We are democratizing electric vehicles beginning with our iconic nameplates and are also expanding our charging network. Ford's BlueOval™ Charge Network is the largest public charging network in North America offered by automotive manufacturing, with more than 20,500 stations (over 70,000 plugs) and growing.⁶

And, Ford is working to make electric vehicles more affordable by offering equitable and non-discriminatory financing for products that serve underserved borrowers. Financing may also relate to installation of charging infrastructure for individual customers.

Risks

The most significant risk factors applicable to our business are outlined below.

Operational Risks

Ford+: Our long-term competitiveness depends on the successful execution of Ford+, our plan for growth and value creation. Ford+ is focused on delivering distinctive and increasingly electric products plus always-on customer relationships and user experiences.

Climate Change: The risks and opportunities associated with climate change shape the way we do business, including our global carbon reduction strategy focused on reducing emissions from our vehicles, operations, and supply chain. Extreme weather events such as storms or floods can disrupt production or component supplies, while droughts can affect our access to water for our operations, especially in water-scarce areas.

Public Health Issues: Our financial condition and results have been, and may continue to be, adversely affected by public health issues, including the health impacts of climate change and epidemics or pandemics such as COVID-19. The impact of COVID-19, including changes in consumer behavior, pandemic fears, and market downturns, and restrictions on business and individual activities, has periodically created significant volatility in the global economy.

Safety Recalls: Government safety standards require manufacturers to remedy defects related to vehicle safety through safety recall campaigns. Our vehicles could be affected by defects that result in delays in launches, recall campaigns, or increased warranty costs.

Reliance on Suppliers: We depend on our complex global supply chain to deliver components for our vehicles. Our products contain components sourced from suppliers that, in turn, source components from their suppliers. A shortage of key components, such as the semiconductor shortage, can disrupt the production of vehicles.

Cybersecurity Risks: As we develop and produce vehicles with increased connectivity, operating, and security systems are more at risk from potential disruptions. We rely on information technology networks and systems, including in-vehicle systems and mobile devices to process, transmit, and store vital data. Despite data privacy and security measures, we are at risk of outages, cyberattacks, security breaches, or natural events, all of which could impact operational systems, compromise sensitive or personal information, or negatively affect the performance and safety of our vehicles.

Workforce Stability: Our ongoing success depends on our ability to continue to recruit and retain a talented and diverse workforce that is highly skilled in engineering, software, technology, and other areas. Global competition for such talent is intense, with potential employees increasingly placing a premium on various intangibles, such as working for companies with a clear purpose, flexible work arrangements, and other considerations, and the loss of existing employees or an inability to recruit new employees could have an adverse effect on our business. Changes needing us to accelerate our ability to reskill, upskill and better develop our employees to complete our transformation to electrification also contributes to risk.

Macroeconomic, Market and Strategic Risks

Market Competition: Our products and services are subject to market acceptance as well as competition from other players in the automotive, mobility, and digital services industries. Although we conduct extensive market research before launching a vehicle or service, many factors within and outside our control can affect their success. For example, a shift in consumer preferences away from larger, more profitable ICE vehicles, due to rising fuel prices, a decline in the construction industry, or government actions or incentives, could adversely affect our financial condition or results of operations in the near term.

Geopolitics: With our global footprint and the increasing interconnectedness of the global economy, a geopolitical crisis or changes to/withdrawals from existing trade agreements could have an immediate and material impact on our results. The U.S. government has considered applying tariffs on automobiles, parts, and other materials that could disrupt existing supply chains, impose additional costs on our business, affect demand for our products, and make Ford less competitive.

Financial Risks

Market Disruption: Our business is susceptible to credit rating downgrades, market volatility, market disruption, and regulatory requirements, which may impact our ability to obtain unsecured funding at a reasonable cost. Moreover, if these events occur, Ford Credit may reduce the amount of receivables it purchases or originates because of funding constraints.

Government Incentives: We receive economic benefits from national, state, and local governments around the world in the form of grants, loan subsidies, and tax abatements or credits. These incentives encourage manufacturers to establish or increase investment, workforce, and/or production. A decrease, expiration, or clawback of such incentives could impact our financial condition significantly.

Credit: Ford Credit could experience higher credit losses, lower residual values, or higher return volumes for leased vehicles than expected. Credit risk (the possibility of loss from a customer's or dealer's failure to make payments according to contract terms) is heavily dependent upon economic factors such as unemployment, consumer debt service burden, personal income growth, and used car prices.

Pension and Other Post-retirement Plans: The measurement of our obligations, costs, and liabilities associated with benefits related to our pension and other post-retirement benefit plans requires us to use assumptions to estimate the present value of projected future payments to all participants. If actual results are less favorable than our assumptions, we may recognize a substantial remeasurement loss in our results. In addition, if our cash flows and capital resources were insufficient to meet our post-retirement obligations, we could be forced to reduce or delay investments and capital expenditures, suspend dividend payments, or seek additional capital.

Risks – continued

Legal and Regulatory Risks

Litigation: We spend substantial resources complying with safety, emissions, and other standards and regulations. However, we cannot ensure that employees or individuals affiliated with Ford will not violate these regulations. Moreover, compliance with governmental standards does not necessarily prevent individual or class action lawsuits, which can entail significant cost and risk.

Product Modifications: The automotive industry is subject to safety, emissions, fuel economy, and other regulations that govern product characteristics, and these can differ regionally, nationally, or within a country. New regulations are continuously being proposed to address environmental concerns (including those relating to global climate change and its impact), vehicle safety, and energy independence, and the regulatory landscape can change quickly. To comply, we may need to substantially modify product plans.

ESG Disclosure: The EU Sustainable Finance Disclosure Regulation (SFDR) came into force on March 10, 2021, imposing environmental, social, and governance (ESG) disclosure and reporting requirements on financial services participants, including investment firms and fund managers. The SFDR introduces disclosure obligations at both a firm and product level, requiring asset managers to disclose how sustainability risks are incorporated in their decision-making or outline the environmental or social benefits of certain products.

→ Read more in our Form 10-K

→
CASE STUDY

Advancing STEM Education in the U.K.

2021 marked the fifth year of our partnership with Primary Engineer – an educational nonprofit organization that encourages children and youth ages 3 to 19 to consider STEM and engineering careers. Employees from Ford's Dunton engineering campus volunteer their time at local schools training teachers on how to introduce engineering

concepts, while helping lead a classroom-based engineering project that teaches students how to build electric vehicles. To date, the program has reached 65 schools and assisted 140 teachers and more than 3,483 students across the United Kingdom with the help of 45 Ford volunteers.



Building the Future of Mobility

Driving Innovation and
Sustainable Growth



“

This is a transformative moment where Ford will lead America's transition to electric vehicles and usher in a new era of clean, carbon-neutral manufacturing. With this investment and a spirit of innovation, we can achieve goals once thought mutually exclusive – protect our planet, build great electric vehicles Americans will love, and contribute to our nation's prosperity.”

Bill Ford, Executive Chair



Overview

Everything we are doing – investing in electrification, enhancing connectivity, and developing new products and services – is to revolutionize and enrich the customer experience.

Our approach is deeply rooted in customer insights, and we are creating an ecosystem around our products that drives deep loyalty. The foundation is our purpose – delivered through our Ford+ strategy – to help build a better world, in which every person is free to move and pursue their dreams.

We're investing in environmental and social projects. Based on our 2021 results, we see the Ford+ strategy is working, generating good progress in our financial, social, and business performance. Through our new Sustainable Financing Framework and our inaugural Green Bond, we're helping to drive human progress by investing in such key initiatives as Clean Manufacturing to create the future of industry. We also tied our Corporate and Supplemental Revolvers to sustainability-linked KPIs.

We will lead the electrification revolution. We are bringing electrification from the niche to the mainstream, electrifying our icons, including F-150 Lightning, Mustang Mach-E, E-Transit and Lincoln, and rapidly scaling up production and improving affordability.

We're investing \$50 billion from 2022 through 2026 in electric vehicles (EVs), EV technology and charging infrastructure to remove obstacles and show customers the clear advantages of electric vehicles.

From sustainability to performance to power and digital integration, Ford is creating capacity, capability, and convenience in our vehicles that were never possible before. And by working to close the loop on battery manufacturing, we can reduce emissions and even packaging. Through our focus on battery recycling, we will re-use valuable materials, recover precious metals, and help make electric vehicles more affordable.

We are expanding our capabilities to advance mobility innovations around the world.

Our objective is to power the freedom to move every day, helping to make movement more accessible and seamless in cities while improving the safety and sustainability of the transportation ecosystem.

Sustainable Development Goals

We are contributing to the following UN Sustainable Development Goals (SDGs):



Our Sustainability Aspirations



Access: Drive human progress by providing mobility and accessibility for all

Economic Performance

2021 Financial Highlights

Revenue:

\$136.3B

(2020: \$127.1B)

Net income/(loss):

\$17.9B

(2020: \$(1.3)B)

Adjusted EBIT¹⁷:

\$10.0B

(2020: \$2.5B)

Adjusted EBIT margin¹⁷:

7.3%

(2020: 2.0%)

Adjusted free cash flow¹⁷:

\$4.6B

(2020: \$1.3B)

Adjusted earnings per share¹⁷:

\$1.59

(2020: \$0.36)



Full-year benefits from strong mix and net pricing, as well as lower warranty costs, more than offset the effects of the production losses and higher commodity costs. As a result, automotive EBIT of \$7.4 billion and margin of 5.9% for 2021 were both significantly higher than in 2020.”

John Lawler,
Chief Financial Officer

A Year of Important Progress on Our Ford+ Plan

Our 2021 results show that our Ford+ Plan is working. We're seeing real traction and making tremendous progress in both our financial performance and the strategic direction of the business. Revenue, net income, and adjusted earnings before interest and taxes were all up, even though we sold nearly 250,000 fewer vehicles than we did in 2020 because of industry-wide semiconductor shortages and supply chain disruptions.

We continued to turn around our automotive operations and ensure Ford is competing to win in our areas of strength. We added exciting products to our lineup including the new Bronco, Bronco Sport, Maverick, and Mustang Mach-E – and announced new vehicles like the E-Transit, F-150 Lightning, and the next generation Ranger.

Our operations outside of North America collectively posted their best results since 2017, largely driven by the success of our Global Redesign efforts. We have drastically de-risked and rationalized our global footprint and product lineup, including restructuring our business in India, and have vastly improved our earnings and cash generation power in the process.

We began to bring our vision of always-on experiences for retail and commercial customers to life, delivering over-the-air updates and fundamentally changing the culture of engineering inside Ford and driving the definition of next generation of connected vehicles.

Our reinstatement of the quarterly dividend underscores our confidence in the improving run-rate of the business, and our ability to fund all future calls on capital.

Accelerating Our Transformation, Unlocking New Growth Opportunities

Our Ford+ growth plan is predicated on delivering a company adjusted EBIT margin of 8% by 2023, and the consistent generation of adjusted free cash flow to invest in accretive high-return opportunities, including electrification, connectivity, and customer-facing

technology. At the top end of our 2022 guidance of \$11.5 billion to \$12.5 billion in company adjusted EBIT, we would achieve that one year earlier than planned.

In March 2022, Ford accelerated our transformation by forming two distinct auto units – Ford Blue and Ford Model e – to enable us to compete and win against both new EV competitors and established automakers. Together with Ford Pro, these strategically interdependent businesses will help unleash the full potential of the Ford+ Plan and give us the confidence to raise our long-term company adjusted EBIT margin target to 10% by 2026.

To achieve this, we are increasing our planned global investment in EVs, including battery production, to \$50 billion from 2022 through 2026. This will allow us to rapidly scale production capacity of our popular new electric vehicles to more than 600,000 by the end of 2023 – and grow that to an annual run rate of 2 million by 2026 when BlueOval City in Tennessee comes onstream. By then, electric vehicles will represent one-third of our global volume, growing to half by 2030.

With a focus on disciplined capital allocation, process simplification, and structural cost reduction, Ford Blue will serve as a profit engine for the company for years to come. It will generate the capital we need to fund a very exciting future – one that's both financially healthy and true to our purpose – and continues to create long-term value for shareholders.

Corporate Issuer of the Year 2021

Ford has been awarded the International Financing Review's (IFR) Corporate Issuer of the Year for 2021 for funding a major electric vehicle push, while cutting costs and attracting the “greenest” of capital – the largest ESG facility ever to be completed in the U.S. market. Ford was the first U.S. automotive manufacturer to issue a sustainability-linked loan.

→ Read more about us delivering Ford+ on p.19

Electrification and Connectivity

Leading the Electrification Revolution

We are investing \$50 billion in electric vehicles from 2022 through 2026 to electrify our icons, build out EV charging infrastructure, create a digital ecosystem with trusted customer service, and to take our suppliers on this journey with us.

We expect fully electric vehicles to account for 50% of our global sales volume by 2030. The demand for our first wave of EVs – Mustang Mach-E, E-Transit and F-150 Lightning – has exceeded our expectations. By the end of 2023, we will have the global capacity to produce 600,000 EVs annually to meet the demand.

[→ Read more about our iconic vehicles on p.14](#)

Electric vehicle customers are looking for a differentiated experience – more digital with remote services, always-on engagements, and products that get better over time. We are expanding our capabilities to serve these new customers and drive loyalty – and it's working. More than 90% of Mustang Mach-E owners said they would recommend it to others.

We are also mindful that this move to electrification will affect our key stakeholders, including our own employees. This is why we are considering a Just Transition – to accelerate our ability to reskill, upskill, and better develop our employees and people in the communities where we operate. We aspire to further our purpose of building a better world and providing people with tools to help them move forward and upward.

[→ Read more about Just Transition on p.66](#)

Our electrification strategy is a critical component of Ford's goal to achieve carbon neutrality globally no later than 2050. Ford is the only full-line U.S. automaker committed to doing its part to reduce CO₂ emissions in line with the Paris Agreement and working with California for stronger vehicle GHG standards.

As part of this effort, Ford joined RouteZero, a global coalition working towards all sales of new cars and vans being zero emission vehicles by 2040 globally, and no later than 2035 in leading markets – to curb global warming.

In addition to electrifying vehicles in high-volume segments, another key component of our strategy is to ensure access to lower-cost, high-performing battery technology and create a closed loop manufacturing system. Through Ford Pro, we will also help small and large businesses globally transition their fleets to zero emission vehicles by providing a suite of support, including EV consulting, charging, telematics, service, and financing.

And with more than 2,300 EV-certified dealers across all 50 states – and over 650 Commercial Vehicle Centers in the U.S., 90% of which are EV-certified – we stand ready to help customers make the transition to electric vehicle ownership.

50%

of Ford's global vehicle volume
to be fully electric by 2030



Ford has signed the ambitious RouteZero initiative which aims to reduce carbon associated with road transportation. We join more than 50 businesses, cities, and regions that have pledged to work together toward 100% zero-emission cars and vans globally by 2040, and in leading markets no later than 2035. Electrification represents the most transformative change of our industry in over 100 years."

Stuart Rowley, President, Ford of Europe



All-Electric Police Vehicle Debut

CASE STUDY →
The Ford Pro all-electric police pilot vehicle, based on the 2021 Mustang Mach-E SUV, became the first all-electric vehicle to pass the rigorous Michigan State Police 2022 model year evaluation. Testing included acceleration, top speed, braking, and high-speed pursuit, as well as emergency response handling characteristics.



Lincoln Celebrates 100 years and Announces All- Electric Portfolio by 2030

As the Lincoln brand celebrates its 100th anniversary in 2022, plans are underway for its exciting, electric future. Over the last 100 years, Lincoln has pioneered such innovations as center-opening coach doors, electric gauges, keyless entry, and symphonic chimes, while pushing the boundaries of elegant automotive design and introducing products and services that have come to define the iconic American luxury brand it has become. The anniversary comes at a pivotal time, as the brand looks to advance its commitment to electrification and make its entire vehicle portfolio electric by 2030. Lincoln also plans to expand effortless, personalized experiences by delivering an enhanced suite of connected services through the Lincoln Way app.



Electrification and Connectivity – continued

Expanding EV and Battery Manufacturing

Ford has electric vehicle manufacturing footprints across the world, including four plants in North America, as well as locations in Germany, Turkey, and China.

In 2021, we announced plans to bring electric vehicles at scale to American customers with two new massive, environmentally and technologically advanced campuses in Tennessee and Kentucky that will produce the next generation of electric F-Series trucks and the batteries to power future electric Ford and Lincoln vehicles.

To build these campuses, we are making the largest single U.S. investment in electric vehicles at one time by any automotive manufacturer. Along with our partner, SK Innovation, we plan to invest \$11.4 billion and create nearly 11,000 new jobs at the Tennessee and Kentucky mega-sites.

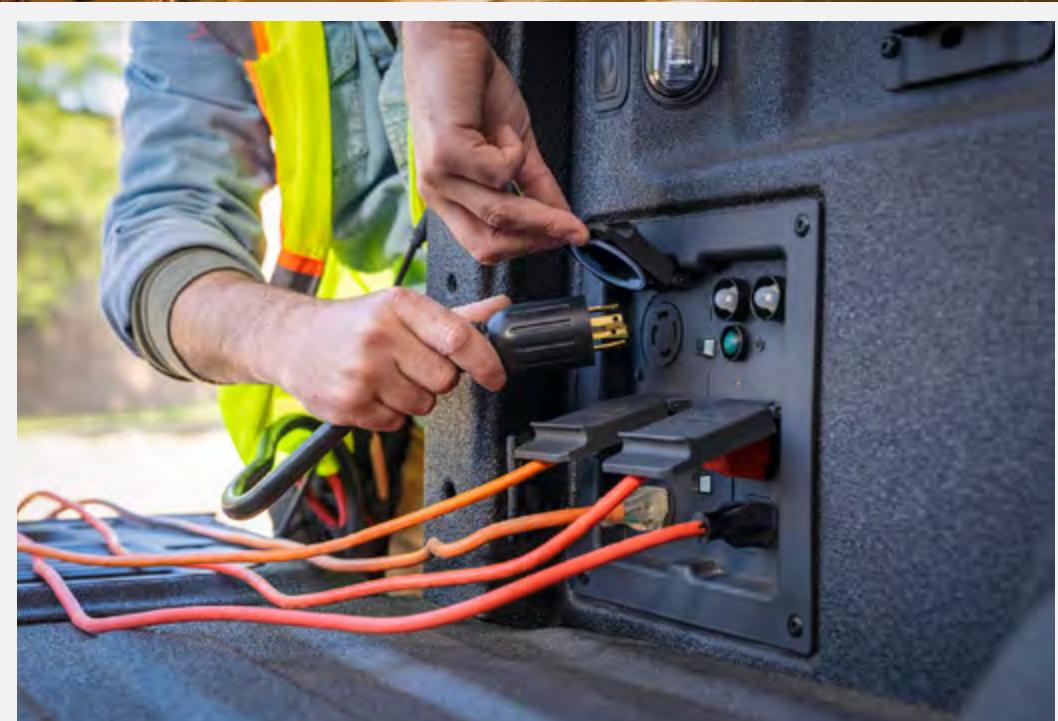
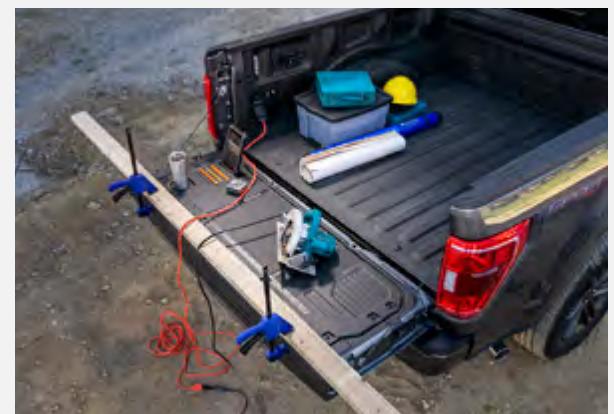
The all-new mega campus in Stanton, Tennessee, called BlueOval City, will be among the largest auto manufacturing sites in U.S. history, encompassing vehicle assembly, battery production, recycling, training and technical education programs, and a supplier park. The vertically integrated system will deliver cost efficiency while minimizing the carbon footprint of the manufacturing process, including the potential to use local renewable energy sources such as wind, solar power, nuclear, geothermal, biomass, energy storage, and hydro. The assembly plant will be designed to be carbon neutral with zero waste to landfill once fully operational.

CASE STUDY →

The New Ford F-150 Takes Power Capability to New Levels



Beyond its payload and towing capabilities, the F-150 hybrid and electric models both feature optional Pro-Power Onboard, a power back-up system that transforms the vehicle into a generator that can supply enough juice to run tools at your workplace or appliances on the go. The F-150 Lightning also has Intelligent BackUp Power, the ability to power your home in an outage for 3-10 days.¹⁸



Electrification and Connectivity – continued

In central Kentucky, we will build a dedicated battery manufacturing complex called the BlueOval SK Battery Park with SK On, a wholly owned subsidiary of partner SK Innovation focused on the battery business. Twin battery plants on the site, as well as one in Tennessee, are intended to supply Ford's North American assembly plants with locally assembled batteries for powering next generation electric Ford and Lincoln vehicles. Three plants will be capable of producing up to 129 gigawatt hours annually, which will be expanded by mid-decade to 141 gigawatt hours, enough to build more than one million electric vehicles.

Our investment in BlueOval City in Tennessee and the BlueOval SK Battery Park in Kentucky sets a new standard for scale, sustainability, advanced manufacturing, and training for the next generation of technology leaders.

After investing \$7 billion in Michigan since 2016, and committing \$700 million for the Rouge Electric Vehicle Center a year ago, we are investing an additional \$250 million across the Rouge Electric Vehicle Center, Van Dyke Electric Powertrain Center, and Rawsonville Components Plant to help increase production capacity of the F-150 Lightning to 150,000 trucks a year.

We are also collaborating with Redwood Materials, a leading battery materials company, to make electric vehicles more sustainable and affordable for Americans by localizing the supply chain network, creating recycling options for scrap and end-of-life batteries, and ramping up lithium-ion recycling. We believe battery recycling is essential for the success of an electrified future and has the potential to offer significant economic benefits.



\$11.4B

Planned joint investment
in Tennessee and Kentucky
mega-sites

11,000

new jobs to be created



BlueOval City's assembly plant will harness Ford's global manufacturing expertise and cutting-edge technologies to deliver cost efficiencies and the quality that our customers expect. This will enable Ford to lead in the race to bring dependable, affordable, and advanced electric vehicles to even more Americans."

Kumar Galhotra, President of Ford Blue

Meanwhile, we are working with other automakers in markets where we don't have scale but see opportunities. As part of our global alliance with Volkswagen, Ford will build a new electric vehicle for Europe based on its Modular Electric Drive, or MEB, architecture beginning in 2023. The arrangement, focused on small to mid-size electric vehicles, will lead to a highly differentiated experience for our European customers and expand Ford's zero-emission capabilities in the region.

And to transform America's auto technician industry, we have made a \$525 million investment across the U.S. during the next five years. The investment will go toward job training and career readiness initiatives to develop highly skilled technicians that can support our growing portfolio of connected electric vehicles.



Electrification and Connectivity – continued

Expanding Global Electrification Capabilities

Our electrification plans are global, with facilities in Europe gearing up for the industry-changing transition.

100%

of Ford's passenger vehicles in Europe will be zero-emissions capable by 2026 and all-electric by 2030

**Germany**

Spearheading our advance into an all-electric future is a new \$1 billion investment to modernize Ford's vehicle assembly facility in Cologne, one of our largest manufacturing centers in Europe and the home of Ford of Europe. The investment will transform the existing vehicle assembly operations into the Ford Cologne Electrification Center for the manufacture of electric vehicles, Ford's first such facility in Europe. Ford's new European-built, volume all-electric passenger vehicle will roll off Cologne's production line in 2023.

**Romania**

We will invest \$300 million to build a new light commercial vehicle in 2023 at our Craiova Assembly Plant in Romania, including an all-electric version due to debut in 2024 – the first all-electric Ford volume vehicle to be built in Romania. With this all-electric version, Craiova will become the third Ford facility in Europe to take on an all-electric vehicle production.

**Spain**

We are also investing in an electrified future for our Valencia, Spain, operations with the new 2.5-liter Duratec hybrid engine that will be built at our engine plant starting in late 2022 with an increased battery pack assembly capacity. Providing a bridge to an all-electric passenger vehicle future for Europe, the Duratec hybrid engine powers the Kuga PHEV as well as the Kuga, Galaxy, and S-MAX Full Hybrid models.

**Turkey**

All versions of the next generation Transit Custom will be built by Ford Otosan – Ford's joint venture in Turkey – in Kocaeli, the home of the Ford Transit range. In addition, the joint-venture's next generation Volkswagen 1-ton commercial vehicle also will be built in Kocaeli, adding valuable scale and enhancing the customer experience by bringing more technologies to market. Connected services co-developed with commercial vehicle customers will also be designed to enhance the customer experience and advance Ford's continuing commercial vehicle leadership in Europe. Late in 2020, Ford Otosan announced plans to invest more than €2 billion to increase vehicle and battery pack assembly capacity production at Kocaeli.

**United Kingdom**

We are investing up to £230 million at our Halewood vehicle transmission facility, transforming it to build electric power units for future Ford all-electric passenger and commercial vehicles sold in Europe. This investment indicates the U.K.'s importance for high-quality automotive Power unit production – the complete all-electric assembly that replaces the engine and transmission in conventional gas or diesel engine vehicles. Halewood will be our first electric vehicle component in-house assembly site in Europe with production beginning in 2024.

**China**

The first Mustang Mach-E manufactured in China officially rolled off the assembly line in October 2021. Manufactured at Changan Ford's manufacturing plant in Chongqing, the locally produced Mustang Mach-E became available for delivery to customers in China by the year's end, providing Chinese customers with the driving pleasure associated with the electric SUV. Ford inaugurated 25 electric vehicle stores in major metropolitan areas by the end of 2021 and expects to expand to 61 stores within 2022.



CASE STUDY

The Mustang Mach-E in China

The award-winning Mustang Mach-E was officially delivered to the first customers in China on December 26, 2021. The locally produced Mustang Mach-E is being sold through a growing network of direct-to-customer Ford Select stores located in major Chinese metropolitan markets. Currently, there are 25 such stores in China dedicated to the sale of Ford electric vehicles.

25

stores in China dedicated to the sale of Ford electric vehicles

Electrification and Connectivity – continued

Accelerating Battery R&D

To accelerate research and development of battery and battery cell technology, we announced the establishment of the Ford Ion Park global battery center in southeast Michigan. Here, state-of-the-art equipment will be used to pilot new manufacturing techniques that will help the company quickly test and scale battery cell designs with novel materials.

We also recently increased our investment in Solid Power, an industry-leading producer of all-solid-state batteries for electric vehicles. Showing great promise, these batteries are designed to power longer-range, lower-cost, and safer electric vehicles using existing lithium-ion battery manufacturing infrastructure.

Research Goal: Recharging EVs as Quickly as Gas Fill-ups

Ford researchers have successfully completed an early step in collaboration with Purdue University: we have invented a new, patent-pending method for charging stations that could one day deliver significantly more power compared to today's leading systems.

Using liquid as an active cooling agent, the concept uniquely changes the liquid to vapor and could combine with in-development vehicle charging technology to lower the average time to recharge electric vehicles. This innovation could one day deliver significantly more power to charge electric vehicles than today's leading systems, making possible faster re-charging times if vehicle charging and other technology enhancements are made in parallel. Ultimately, this could lead to re-charging EVs as quickly as conventional gas station fill-ups.



Expanding our EV Charging Network

Along with a variety of home charging solutions, Ford's BlueOval™ Charge Network is the largest public charging network in North America offered by automotive manufacturing, with more than 20,500 stations (over 70,000 plugs) and growing⁶. Built-in cloud-connected navigation routes customers to nearby charging stations, recommends where to charge on trips and provides easy access and payment via FordPass for a seamless retail customer experience.

Meanwhile, we are teaming up with the nation's leading solar company, Sunrun, to facilitate easy installation of the 80-amp Ford Charge Station Pro and home integration system to generate Ford Intelligent BackUp

Power. Customers will also have the opportunity to install solar energy on their home to power their household with clean, affordable energy and charge their F-150 Lightning with the power of the sun.

Additionally, our commercial vehicle arm, Ford Pro, launched Ford Pro Charging for managing commercial EV fleets and charging needs. To transition to electrification, fleet owners will receive software and commercial hardware infrastructure to support charging and energy management.

In Europe, the IONITY high-power charging network will grow 7,000 charging points by 2025, to create a supporting infrastructure as we accelerate the electrification of our vehicles.

Developing Alternative Powertrains and Fuel Options

As we launch electrified versions of our most popular nameplates, we will continue researching and developing alternative powertrains and fuel options across all our vehicles, to provide customers with efficient, low-carbon alternatives. This effort includes the development of hydrogen fuel cell technology, with a primary focus on medium/heavy-duty vehicles to offer payload and uptime advantages that provide total cost-of-ownership benefits. Ford is partnering with the U.S. Department of Energy to develop and demonstrate five hydrogen fuel cell electric Class-5 Super Duty trucks through the DOE SuperTruck 3 program. The project's goals are cost, payload, towing, and refueling times that are equivalent to conventional gasoline trucks.

Since not all commercial vehicle operators will make the move from the conventional internal combustion engine to all-electric vehicles, powertrain technologies, from mild hybrids to plug-in hybrids, give them the power of choice as a significant part of the next generation Transit Custom range.

Alternative fuel vehicles can reduce GHG emissions on a well-to-wheels basis, which includes emissions from both producing and consuming the fuels.

 [Read more about our Sustainable Financing Framework and our investment in Clean Transportation on p.27](#)

Electrification and Connectivity – continued

**Connectivity**

In addition to electrification, the transformation of Ford vehicles includes making them “smarter” and connected through cloud-based technology, providing vital information and new capabilities to owners.

Ford, Google Technology Powerhouse

In 2021, Ford and Google announced a unique strategic partnership to accelerate Ford’s transformation and reinvent the connected vehicle experience. Ford also named Google Cloud its preferred cloud provider to

leverage Google’s world-class expertise in data, AI, and machine learning (ML). As part of this new, six-year partnership – and beginning in 2023 – millions of future Ford and Lincoln vehicles at all price points will be powered by Android, with Google apps and services built-in.

To drive ongoing innovation, Ford and Google established a new collaborative group, Team Upshift. Leveraging the talent and assets of both companies, Team Upshift will push the boundaries of Ford’s transformation, unlock personalized consumer experiences, and drive disruptive, data-driven opportunities. This may include projects ranging from developing new retail experiences when buying a vehicle to creating new ownership offers based on data, and more.

As Ford continues the most profound transformation in its history with electrification, connectivity, and self-driving, Google and Ford coming together establishes an innovation powerhouse truly able to deliver a superior experience for our customers and modernize our business.

Ford Power-Up Software Updates Strengthen Customer Relationships

With Ford Power-Up software updates, we can deliver regular vehicle enhancements to Ford owners, turning connected vehicle learnings into continuous quality improvements, new features, and capabilities. New Ford Power-Up features and enhancements already have been sent to owners of Bronco, F-150, Mustang Mach-E, and other vehicles as part of Ford’s plans to produce 30 million vehicles with advanced software update capability by 2028. These capabilities are designed to strengthen customer relationships with digitally enabled tools like FordPass and Lincoln Way, online ordering, simplified financing and renewal options, vehicle pickup and delivery services, and mobile repairs. Such tools will extend digital support to customers by fully integrating best-in-class technology.

These services are expected to speed the detection and resolution of quality issues using connected data, which will help raise customer satisfaction and lower warranty costs, deploy distinctive connected functions like Ford’s BlueCruise hands-free driver-assist technology, seamless Amazon Alexa Built-in hands-free home and vehicle voice commands, new features and upgraded software content, and EV charging to improve the user experience. Such connected services are projected to be a \$20 billion market by 2030.

More than

30M

Power-Up-enabled Ford and Lincoln vehicles by 2028

Mobility Solutions and Autonomous Vehicles

The Freedom to Move

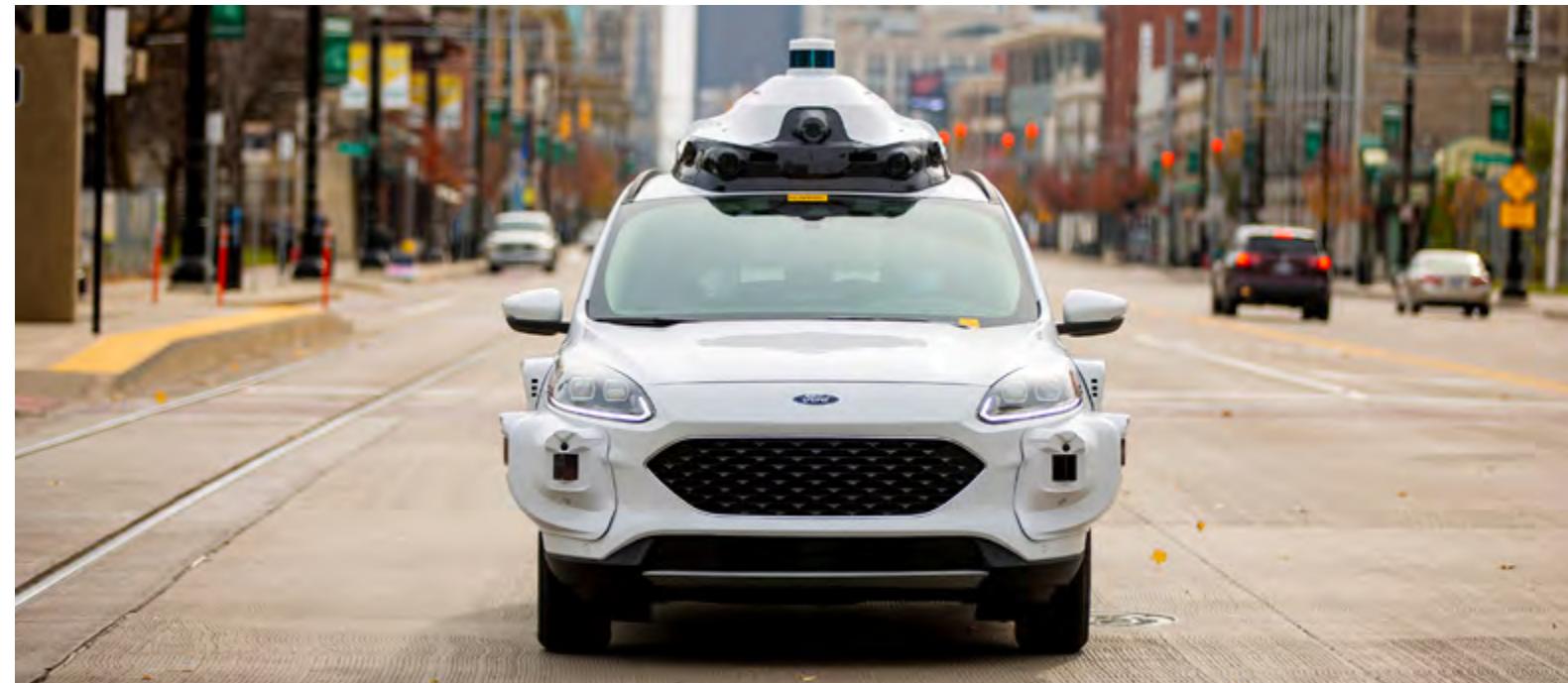
To expand real-world experiences, we are investing to help make movement more accessible and seamless while improving the safety, efficiency, and sustainability of the overall transportation ecosystem – especially digital capabilities for developing robust mobility and connected vehicle services that benefit cities and citizens.

Mobility can help give people the freedom to move and pursue their dreams – including access to education, jobs, housing, and healthcare. Our vision for the future of urban mobility is a transportation ecosystem that helps improve how people get from point A to point B more seamlessly, deliveries to get people the goods they need, better parking, and traffic flow, while addressing such challenges as climate change and air pollution. We continue to collaborate directly with cities and other key stakeholders to help them solve their mobility issues and deliver our own mobility products and services to help make lives better.

Path to Autonomous Services Coming to Life: Lyft and Walmart

Ford remains focused on large-scale deployment of autonomous vehicles as a service – ride-hailing to move people and delivery to move goods – across multiple U.S. cities starting in our launch city markets of Austin, Texas, Miami, and Washington, D.C.

While we continue to improve the technology and build a robust self-driving system with our partner Argo AI, we have also made progress over the last year in bringing



these services to life through our collaboration with Lyft, one of the largest transportation networks in the U.S., and Walmart, the world's largest retailer.

Together, with Lyft and Argo AI, we announced in 2021 that we are deploying Ford autonomous vehicles, with safety drivers, on the Lyft network in Miami and in Austin, available this year. As vehicles are deployed, Lyft users within defined service areas will be able to select a Ford autonomous vehicle powered by the Argo Autonomy Platform to hail a ride.

This unique collaboration brings together all of the parts necessary to create a viable autonomous ride hailing service, including the autonomous technology, vehicle fleet, and transportation network needed to support a

scalable business and exceptional experience for riders. This initial deployment phase will lay the groundwork for scaling operations across multiple markets over the next five years.

For delivery, we are working with Walmart and Argo AI to deploy an autonomous vehicle delivery service in Miami, Austin, Texas, and Washington, D.C. — Walmart's first multi-city autonomous delivery collaboration in the U.S. The delivery service will use Ford autonomous vehicles equipped with the Argo Autonomy Platform to deliver Walmart orders to customers. This multi-city service makes it possible for customers to place orders online for groceries and other popular items, while providing autonomous deliveries directly to their homes.

By testing and developing autonomous technology for urban areas, where customer demand is high, we are demonstrating the potential for autonomous vehicle delivery services at scale.

For Mobility Solutions: The City:One Program

The City:One program uses a community-centered approach to develop innovative mobility solutions that address safety, sustainability, equity, and accessibility to support the ever-changing mobility needs of cities and their residents.

In 2019–2020, we hosted City:One Challenges in four locations: Indianapolis, Michigan Central Station in Detroit, Austin, and Mexico City. In working with those communities, we generated more than 400 proposals and secured nearly \$1 million in funding to support tangible and equitable mobility pilots for residents, workers, and visitors. In 2021, multiple Challenge winners began activating their mobility pilots to deliver real-world impact.

For example, in coordination with 20 local Detroit partners and eight high school students from Mercy Education Project, one of three Michigan Central Station City:One Challenge winners, the group launched a mobility hub in Roosevelt Park, Detroit. The young women, with community input, created a space that provided a welcome, safe environment with access to and information about mobility options including bikeshare and bike racks; access to Spin scooters and charges; and real-time updates on transit, as well as extensive lighting, murals developed by local artists and a waiting area with WiFi, charging, and seating. The hub also offered COVID-19 vaccinations and testing through a partnership with Ford and Wayne Health/Wayne State University.

Mobility Solutions and Autonomous Vehicles – continued

Austin City:One Challenge pilot winner Tappy Guide assisted Austinites with disabilities by launching a service to help them move through their mobility journeys by using real-time location information, live video feeds, and call center support. The pilot partnered with multiple organizations to test and launch their services in Austin.

More than 92 Austinites used the app to move throughout the City with the support of 37 volunteers who were engaged in disability, diversity, and accessibility training to offer concierge support for people using the Tappy Guide service.

In 2022, the City:One program is focused on developing additional community-centered projects that integrate residents in the mobility innovation experience.

Incubating Transportation Solutions

During the last three years, Ford has been restoring historic buildings, including the iconic Michigan Central Station, constructing new ones and building out connected spaces in Corktown, Detroit to transform the area into Michigan Central, a mobility innovation district that brings together innovators to incubate and speed development of transportation solutions. While construction is still underway, innovation in the district is already happening. One example is a partnership with Newlab, a New York-based accelerator, that began in 2020. Together, Michigan Central and Newlab have created two innovation studios. One to address mobility issues on a macro scale with an EV track focused on electrifying commercial fleets, as well as an AV track focused on the first and last 50-feet of a journey of moving goods. The second, a civic studio – Accessible Streets – designed to improve transportation and access in the neighborhoods around Michigan Central Station – upholding our commitment to the local communities.

Moving Goods: A Low-Speed Autonomous Shuttle

To improve how people and goods move in the future, we need to explore different mobility applications to understand how they can address real transportation needs in communities. We're doing just that by conducting pilots and testing in and around Michigan Central. In collaboration with a Ford Fund and Gleaners Community Food Bank food delivery program called FREC (Ford Resource and Engagement Center) on the Go, we are operating a pilot through the summer of 2022 to deliver fresh produce to mobility-challenged senior citizens via an autonomous low-speed shuttle. The shuttle will make deliveries each month from the Ford Resource and Engagement Center in Southwest Detroit to the Rio Vista Co-Op Apartments senior living center.

In addition to our work with Argo AI, the Ford Autonomous Vehicle team is collaborating with Saline, Michigan-based Quantum Signal AI LLC, a wholly owned Ford subsidiary, to explore using a low-speed shuttle to operate autonomously on a fixed route with the help of remote operations and smart infrastructure.

While the shuttle will operate autonomously with a safety driver, we are looking at how a remote operator from more than 40 miles away in Saline, could assist the shuttle if an unexpected condition arises, such as a fallen tree branch from a storm in the middle of the road.

We also are building off of our work in Saline and Miami, and have installed multiple Ford-designed smart infrastructure sensor nodes along the shuttle test route, which can relay information to an autonomous vehicle, so it knows what's happening on the ground before it even arrives at an intersection or other piece of roadway. For example, if the vehicle's sensors are blocked by a truck, the node helps the vehicle to see that a pedestrian or vehicle is approaching.

To improve how people and goods move in the future, we need to explore different mobility applications to understand how they can address real transportation needs in communities. We're doing just that by conducting pilots and testing in and around the Michigan Central.

The design of the shuttle from the interior to the exterior was created by our Experience Design (XD) team whose mission is to understand the customer and create value. The team will conduct focus groups to engage with residents about the pilot and to better understand the challenges they face when it comes to transportation and their freedom to move.

As a result of the six-month pilot, more than 20 residents will receive two deliveries per month complete with fresh milk and produce – highly requested items based on feedback – which is expected to provide an expected 10,000 pounds of fresh healthy foods.

We believe this type of autonomous application could be used in the future and could help support more frequent trips and deliveries in our communities. As a step in our journey, we will continue to use the open innovation platform at Michigan Central to build mobility solutions for the future.



Mobility Solutions and Autonomous Vehicles – continued



Collaborating for the Safe Deployment of Autonomous Vehicles

Ford continues to collaborate with others testing autonomous vehicle technologies within several business associations, as well as lawmakers, regulators, and the public to realize the safety and societal benefits of autonomous vehicles. Additionally, Ford participates in various consortiums addressing the safety challenges autonomous vehicles face through the development of industry best practices and standards. Some of Ford's collaborative efforts include:

AMP – Ford has joined with other autonomous vehicle developers in the U.S., to form the Automated Mobility Partnership (AMP), which is geared towards the use of real-world driving data to inform the development of automated driving systems.

AVSC – Ford is a founding member of the Autonomous Vehicle Safety Consortium (AVSC), convened by the SAE International and SAE Industry Technologies Consortia (SAE ITC). This consortium is working together to advance safer testing, development, and deployment of autonomous vehicles through the establishment of industry best practices. The following AVSC best practices have been developed and released to date: Fallback Test Driver, Operational Design Domain, Passenger-Initiated Emergency Trip Interruption, Data Collection, First Responder Interactions, Metrics and Methods for Assessing Safety Performance, Adapting a Safety Management System (SMS) for ADS Testing and Evaluation, and Evaluation of Behavioral Competencies.

PAVE – The Partners for Automated Vehicle Education (PAVE) coalition is dedicated to educating the public about automated vehicles and the increased safety, mobility, and sustainability benefits they can provide.

PEGASUS – Along with other autonomous vehicle developers, Ford has joined the Project for the Establishment of Generally Accepted quality criteria, tools and methods as well as Scenarios and Situations for the release of highly-automated driving functions. This effort is intended to identify areas for international collaboration and harmonization on safety assurance for automated driving systems, and initiate steps to make progress towards collaboration and harmonization.

Among our ongoing autonomous vehicle regulatory and policy efforts are the Alliance for Automotive Innovation and the Autonomous Vehicle Industry Association (formerly Self-Driving Coalition for Safer Streets), where we are working with industry to advocate for the safe and expeditious deployment of AVs while promoting the benefits of the technology. Ford is proactively engaged at the UNECE to shape requirements to allow for the deployment of autonomous vehicles at the national level to engage with authorities to bring these vehicles to market.

In 2021, Ford joined the National Highway Traffic Safety Administration's (NHTSA) AV Test Initiative. Through this voluntary initiative, NHTSA aims to provide an interactive tool that will keep the public up to date on the states and companies using autonomous vehicle technology on public roads, and we will support by sharing details about Ford's autonomous vehicles, testing, and operations.

Improving Accessibility for People with Disabilities

Our customers want choices – to be able to pick a vehicle they like with the features and accessories they need to drive safely and comfortably. This process can be particularly challenging for people with disabilities who want to be as mobile as everyone else. This is why Ford is transforming its design thinking to be more inclusive for customers with diverse abilities.

The Ford Accessibility Program, offering a variety of adaptable vehicles to meet different needs and budgets, makes it easier for persons with disabilities to get on the road. To broaden these capabilities in a high-tech world, we launched a series of internal webinars and events to raise awareness and increase engagement across the company on issues of vehicle accessibility. These learning events have included direct engagement with a group of customers who have one or more disabilities, to advance discussions on inclusive design practices. Ford is also continuing this inquiry as a member of the Autonomous Vehicle Alliance (AVA) and as a sponsor of AVA's most recent research on accessible and barrier-free autonomous vehicles, while actively participating in and helping facilitate informative webinar sessions organized by the AVA, Intelligent Transportation Society of America (ITSA), and other partner organizations.

Building the Next Generation

Putting People First



“

Our purpose as a company is to help build a better world. It is a core value, ingrained in our DNA since our company's founding and it continues to drive us today. At the heart of this commitment is a pledge to care for each other and put people first in everything we do – whether we're designing vehicles and experiences for our customers; caring for and engaging with our employees; or uplifting and strengthening communities through our philanthropic efforts.”

Mary Culler, President, Ford Motor Company Fund



Overview

Our commitment to care for each other shapes how we operate. People come first. As we take action and move into an exciting future – from addressing climate change to making the transformation to electrification – we are dedicated to making sure that all feel welcome and included.

Because when we build a better world for our employees, suppliers, dealers, community partners, and, of course, customers, we continue to earn trust and succeed as a company. And when we ensure a future that's inclusive, equitable and sustainable, we change the world in the right way.

We prioritize health and safety.

Ford has a commitment to deliver the highest level of safety and health to ensure the wellbeing of our customers and employees, and the broader communities where we live, work, and serve.

We care for each other.

Our commitment to care for each other is a central part of the Ford+ Plan. We demonstrate our commitment with our actions, building our culture of belonging through training, awareness, and strong talent pipelines, as well as providing programs that protect the health, safety, and wellbeing of our employees.

We treat customers like family.

We have a responsibility to our customers. Treating customers like family is a key principle of our approach in every interaction.

We're focused on protecting and respecting human rights.

We empower employees to protect people and the environment, and expect that our suppliers and business partners do the same.

We're engaged on developing a Just Transition.

As a leader in sustainability and human rights, we believe we have a responsibility to the world around us. We can help with a Just Transition, support our communities, and contribute to a society that is more inclusive, equitable, and sustainable.

We are bringing our vision of always-on experiences to life for retail and commercial customers.

By elevating the customer experience, we continue to save time, uplift, and deliver ever-greater value. Our end-to-end solutions help lower total cost of ownership for our customers, and in particular, reduce complexity for commercial customers.

Sustainable Development Goals

We are contributing to the following UN Sustainable Development Goals (SDGs):



Our Sustainability Aspirations

DEI: Create a truly diverse culture where everyone feels like they belong

Safety: Work toward a future that is free from vehicle crashes and workplace injuries

Human Rights: Source only raw materials that are responsibly produced

Human Capital and Diversity, Equity and Inclusion



DEI: Create a truly diverse culture where everyone feels like they belong

Empowering Our People To Improve Our Business

Ford is a family company in more ways than one. Our culture is anchored in shared beliefs and ideals and acting for the common good. We are fostering a culture of belonging for every employee and creating the freedom for them to move throughout the organization and pursue their dreams. Driven by our purpose, our employees are at the center of how we execute our transformation.

The Ford Culture

Ford has taken an unprecedented journey to shift its culture with a clear aspiration of where we are heading. We have a solid foundation with Our Purpose, Ford+, and our Ford+ Behaviors, and we have a plan to reach our aspiration to build a culture of empowerment and belonging.

We are capitalizing on new opportunities that are critical to our future – making our business more agile and competitive by reducing bureaucracy; rethinking how we work and deploying new technology to encourage collaboration and productivity; building our skills and capabilities; and acting with integrity at all times to build trust.

Ford+ represents our holistic approach to shaping our Ford culture through:

- **Strategy, Trust, and Brand:** These must be aligned to achieve our aspiration to be the world's most trusted company.
- **Workplace Experience:** Transforming our workplaces requires integration, interaction, collaborative technology, and flexible working.
- **Diversity, Equity and Inclusion:** A diverse, equitable, and inclusive environment is critical to executing Ford+. We are fostering a sense of belonging by making everyone feel welcomed, valued and supported, and by creating a fair and equal playing field for all.
- **Policies and Processes:** We are co-creating solutions with employees, focusing on the language we use as well as how our employees experience those policies.
- **Strategic Workforce Planning:** To manage organizational health and to deliver against our priorities, we are redesigning how we work to be more efficient, empower employees, and address bureaucracy.
- **Talent Acquisition:** In addition to investing in our team, we are also focused on hiring exceptional talent to support Ford+.
- **Talent Development:** We are upskilling and reskilling employees in our transformation and Ford+ journey.
- **Evaluation:** We consistently capture employee sentiment as a measure of our culture transformation.

→ [Read more about us delivering Ford+ on p.19](#)



Engaging With Employees

Employee engagement is vital to advancing our inclusive culture. We foster dialogue with our employees at all levels of the business through channels including: our intranet site and website; corporate publications and reports; social media; webcasts and executive Q&A sessions with senior management; labor-management committee meetings; regular “Global Town Hall” meetings with direct updates from senior leaders; and Employee Resource Group (ERG) initiatives. We heard from thousands of employees throughout the year, giving us a significant insight into where we have done well and where we need to apply more focus. In 2021, 87% of employees surveyed, which were primarily salaried employees, stated that they have the flexibility to balance the needs of their work and personal life. Employee responses also indicate that employees are excited about what Ford can accomplish in the future.

Our efforts to build inclusive work environments and foster a culture of belonging in our U.S. manufacturing facilities is ongoing. In 2021, Culture Managers in Chicago, Kentucky, Kansas City and the Rouge implemented the Manufacturing Culture Playbook, which provides a framework for plant leaders to assess their work environments with the purpose of building plant-specific actions that anticipate, prevent, or address issues and sustain positive cultures. By mid 2022, all plants in the U.S. and Canada will be supported by a Culture Manager.

For more than two decades, Ford's Employee Resource Groups (ERGs) have provided support, outreach, mentoring, and development to all employees. ERGs are sponsored by our senior leaders and are open to all our employees. Our ERGs host a range of professional, educational, and cultural events as well as supporting our diversity-related efforts in recruitment and community outreach.

Training and Developing Our Talent

Our future success depends on our people. We believe that ongoing training, learning, and development are critical elements to providing employees with insight into organizational skill needs, developing learning solutions to address those needs, and enabling them to improve performance through skills application is critical to our transformation. We continue to make learning and development opportunities a central part of our brand to help attract and retain top talent.

In 2021, we focused on energizing our 15,000+ people leaders to be catalysts, leading their teams to deliver Ford+, and building the foundation for long-term success.

Human Capital and Diversity, Equity and Inclusion – continued

We deployed a new set of global talent assessments to help identify capability gaps across the organization, in the context of Ford+. In response, new developmental experiences for executives and people leaders are being designed and implemented. From a learning standpoint, focus areas include digital transformation, DEI, and new ways of working.

We have begun to replicate the Ford Software Academy model across other areas, including Leadership and Manufacturing. The transformation from internal-combustion-engine to electric vehicles demonstrates the opportunity to upskill and reskill our employees as part of a Just Transition strategy, as well as remaining competitive in the industry.

 [Read more about the Software Academy on p.60](#)

The Leadership Academy now includes a collection of learning journeys specifically designed to address each leader's needs based on where they are in the leadership lifecycle. Each journey promises a fulfilling experience designed to Care for, Inspire, and Empower our leaders. The Ford Leader Experience (FLX), the journey for those making the transition to leadership at Ford, focuses on self-awareness as well as the mindsets and skill sets needed to develop others and build a high-performing team.

Mentoring is also a key strategy to engage our employees and help them grow. 2022 brings the launch of [Mentoring@Ford](#), a global online tool to match employees with a mentor or a mentee.

In 2022, we will also focus on launching our Professional Development Journey for every employee, independent of level, skill team, or region. The self directed learning guide aims to help employees excel in the skills needed to take ownership of and navigate their career and achieve success. The program will focus on four key skill set areas and spotlight the crucial Foundational Skills of self-awareness, growth mindset, and learning agility.

Developing Skilled Trades

Our commitment to talent development is also illustrated in the development of our skilled trades workforce. Ford has committed \$5 million in ongoing capital investment into the UAW-Ford Technical Training Center (TTC). In partnership with local community colleges, local, state and federal agencies, and union leaders, the TTC is a world-class center for apprentice training development and skilled trades recruiting and training. In 2021, almost 1,800 participants utilized training at the TTC as part of their development.

Developing People in Emerging Markets

Our International Markets Group (IMG) consists primarily of employees in countries recognized as emerging markets. Ford is working aggressively to deliver top quality learning resources to employees in these countries to help them develop skills necessary to succeed in the global economy and prepare them for the transition to electrification.

Employees in these markets routinely access learning resources supporting development in critical business skills that include data analytics, design thinking, and electrification, along with power skills that include leadership, diversity and inclusion, and cross-cultural competence. The ability to conduct self-ratings for skills has also been instrumental in preparing for the workforce of tomorrow, with over 6,000 skills rated within IMG and 96,300 skills rated overall within Ford.

We are actively reviewing opportunities to expand access to learning resources to help our hourly workforce overcome barriers that inhibit self-development and individual growth.



Diversity, Equity & Inclusion is not a program or initiative at Ford. It's about embedding DEI into how we operate as a company, while honoring the one basic need common to every single human on the planet: the need to belong."

Lori Costew, Chief Diversity Officer

Attracting Tomorrow's Talent

Tomorrow's opportunities call for candidates with experiences of all kinds. Inclusive hiring is the foundation of what we believe and what we do. At Ford, we understand that our differences, and our uniqueness, help make us stronger and more innovative; they also reflect the customers we serve.

We're expanding our approach, our reach and shifting our skill and degree requirements to attract great talent in a competitive environment. We are also evolving how and where we source our talent as many employees are no longer bound to physical locations.

AI is helping us eliminate bias in the recruitment process by putting students in front of us that we might never have considered before (and vice versa). This is a shift from where we were just two years ago where we recruited from a set list of schools. We now recruit from anywhere as part of our model and are able to go where the talent exists.

In our U.S. Recruiting, we have significantly expanded outreach to women, minorities, veterans, and people with



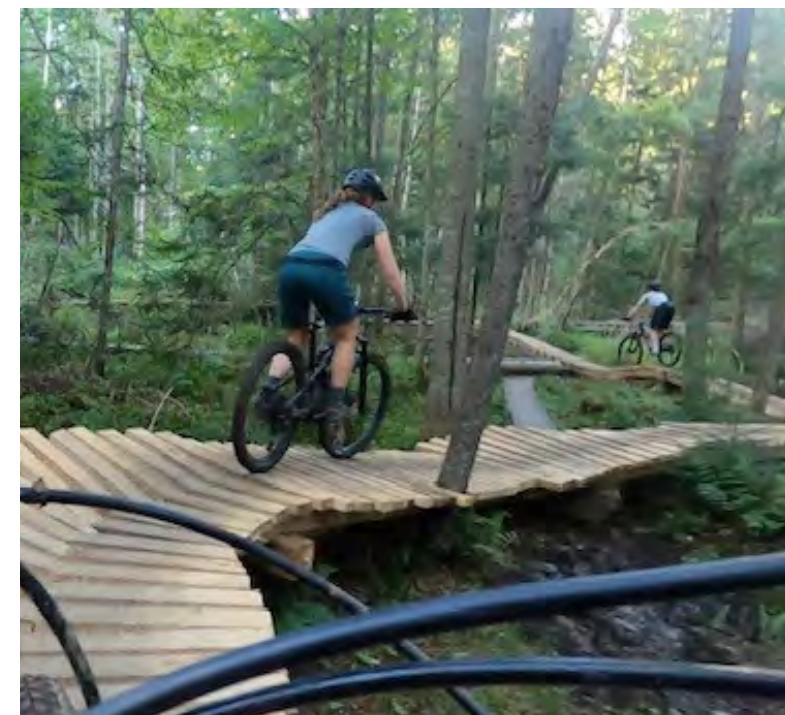
disabilities. We're transforming campus recruiting using AI and are leveraging tech and platforms to reach new schools. We've opened attendance at recruitment events and removed the blockages which kept students from attending.

Exploring the Future of Work

In March 2021, Ford announced an intent to shift to a hybrid work model for non-place-dependent global employees when people return to the office. To support leaders managing the transition to the hybrid work model, resources and training have been provided.

Nonetheless, it is important that our physical work environments support the next century of innovation at Ford. We have accelerated our campus transformation plans and are developing world-class workplaces centered on integration, interaction, and co-location. For example, we're transforming our Research and Engineering Center in Dearborn into a high-tech campus with a new, 2-million-square-foot building forming the focal point. It will be integrated into the surrounding community and feature a range of mobility solutions.

Human Capital and Diversity, Equity and Inclusion – continued



Through experiential learning and engagement we've been able to foster open dialogue across the company and build empathy with events like the Truth & Reconciliation Day in Canada, Juneteenth in the U.S., Global DEI Week, and the global Day of Understanding. None of these events would have been successful without passionate employee volunteers teaching and organizing.”

Amal M. Berry, Senior Manager, DEI

Remote Employees' Freedom to Move

As the pandemic transformed the way we work, we found new ways to get things done. Working remotely all across the country, Ford Buyer on the Electrified Powertrain Team Leilani King discovered the value of work/life balance, saying, “Whether it was early morning, or I was signing on from a tent on the Oregon Coast, the opportunities remote work presented made me far more motivated about my job.” Leilani traveled as far as California, Oregon and Hawaii while still being there for her team. “I’m living our Ford’s Purpose in a way that was never previously possible,” she says.

Embracing Diversity, Equity and Inclusion

We can only achieve Ford+ when everyone at Ford is able to be themselves to do their best work. In short, we are committed to our DEI north star: We are family. We celebrate our differences. We all belong.

Guided by these principles, we are focused on building a workforce that is equipped to meet the challenges ahead – social justice concerns, DEI, Just Transition, and electrification – all important issues for Ford’s employees, suppliers and the communities we serve.

Governance and accountability are core to making sustainable progress in our DEI commitments. In addition to regular discussions, quarterly updates with composition data are given to Ford Leadership and the Board of Directors. As a member of the CEO Action Pledge for Diversity and Inclusion, we have publicly pledged to act on supporting more inclusive workplaces.

2021 Gender and Race/Ethnicity Metrics

Of our global
salaried workforce:

28.1%

are female

24.8%

of managers¹⁹ are female

Of our U.S. employees
(hourly and salaried):

25.0%

are female

34.9%
are members of minority
groups, of which:

22.5%

are African American

5.8%

are Asian

4.3%

are Hispanic/Latino

2.2%
are Other Minorities

Of our 15 Board
Directors:

4

are women

2

identify themselves
as members of
minority groups

Of our 39 corporate
officers:

7

are women

7

identify themselves
as members of
minority groups

DEI Audits and Improvement Plans

In 2021, we extended our U.S. DEI Audit to seven major markets – Canada, China, Germany, South Africa, Mexico, U.K., and India. The audits encompassed a deep dive into each country's qualitative and quantitative data through focus groups, surveys, and interviews. We were able to gain insights into employee beliefs, all with a goal of developing a deeper understanding of how our team was feeling and why. While culture and issues differ around the world, a common theme emerged that not all our team members feel like they belong. We listened and now each Business Unit and Skill Team is committed to continued action.

Another insight gained is we were not leveraging our ERGs enough. Now multiple ERGs including Women of Ford, Ford Empowering Diverse Abilities (FEDA), Ford Pride, Ford Employees African Ancestry Network (FAAN), and Ford Hispanic Network (FHN), are providing

input into improving the employee experience, product programs, and marketing. For example, ERGs provided input to help the campus transformation team better understand the needs of our employees. Their partnership led to spaces with more inclusive designs, greater accessibility, the addition of wellness rooms, quiet zones, and gender-neutral bathrooms.

DEI Data and Insights

Data visibility is essential to building trust internally and externally. Not only have we launched a new DEI dashboard for senior leadership, but we also provide regular DEI updates in our Global Town Hall Meetings and through our internal websites.

Through all of these efforts, the “Belonging” Index scores increased significantly across all demographics in our 2021 annual sentiment (PULSE) survey.

Human Capital and Diversity, Equity and Inclusion – continued

Gender and Racial Diversity Goals

In 2021, we created Aspirational Goals to increase the gender representation and racial diversity of our senior leadership. These goals are tracked quarterly by every Skill Team and Business Unit Leader. We are seeing progress in the diversity of senior leadership – an increase in women leaders globally and an increase in racial minorities in the U.S. indicate that we are on track to reach our 2025 Aspirational Goals.

Equal Employment Opportunity

Our EEO-1 report provides a snapshot of our U.S. demographics as of year-end 2021, based on occupational categories prescribed by the federal government that aggregate jobs with widely varying skill requirements.

Approximately 95% of all Ford Motor Company hourly and salaried positions fall into just four of the 10 categories. The usefulness of this data for measuring diversity success, and for making direct comparisons to the workforce of other companies or other industries with different job structures, is therefore extremely limited.

To address these shortcomings, Ford has developed a more robust supplemental report that disaggregates technical jobs in fields such as engineering and information technology, which pose recruiting challenges that are very distinct from non-technical roles. The supplemental report also provides more nuanced breakdowns of diversity at various managerial levels.

We are committed to equal pay for equal work. Employee compensation in each market should be fair and equitable, irrespective of gender, race, or similar personal characteristics. Equal pay for equal work applies to all forms of pay, including base salary, incentives, bonuses, and other forms of compensation.

→ [Read more about our equal pay policy in our Human Rights Report](#)

→ [Read more in our U.S. EEO-1 and Ford Supplemental Diversity Report](#)

**Our DEI Recognitions 2021**

Awards from external organizations are proof points we are building the Ford brand around the world and help us attract candidates in the global competition for talent.

Internally we celebrate employees who serve as DEI champions. In 2021, more than 40 individuals and teams around the globe were honored with DEI Employee

Awards to recognize their contributions in creating a culture of belonging. They were selected from a group of 300 nominations.

For the fourth year in a row, Ford was recognized on the Bloomberg GEI which tracks the performance of public companies in the areas of inclusive culture, anti-sexual harassment policies, pay equity, female leadership and talent pipeline, and pro-women brand.

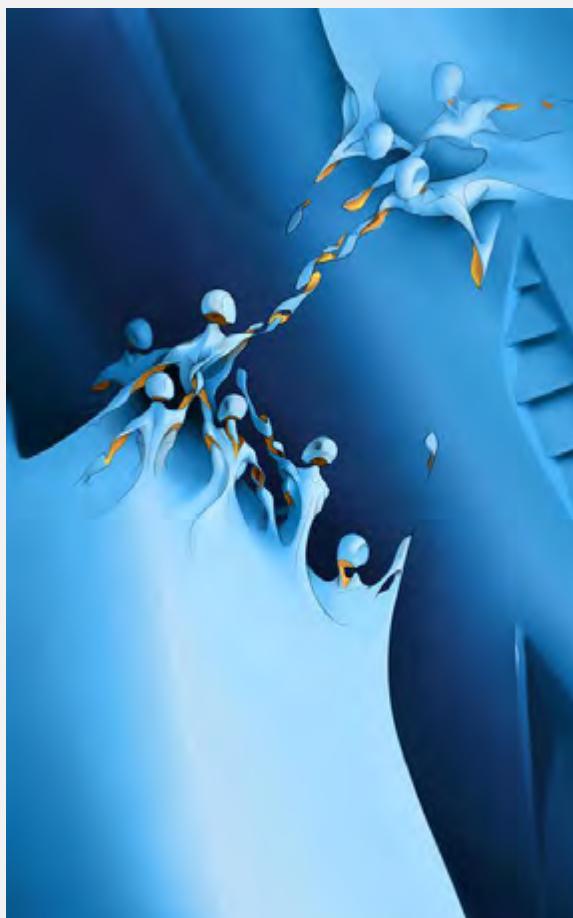


CASE STUDY

DEI Art Challenge

During Global DEI Week, Ford employees around the world were invited to participate in the first ever DEI Art Challenge. One-hundred team members from 11 countries expressed themselves by creating an art piece that showed what diversity, equity, and inclusion mean to them.

Right: Jose Maia Neto
Below left: Peter Watson
Below right: Pustin McCandles



Human Capital and Diversity, Equity and Inclusion – continued

U.S. Racial Equity

Stakeholders and subject matter experts work alongside our Racial Equity Director to ensure equity in employee policies, processes and procedures. These efforts help reduce bias and remove challenges along the employee journey that might prevent equitable career development. One example is our Level Up Sponsorship program which matches high-potential talent from underrepresented groups with sponsors.

We're also providing opportunities for our employees to learn and share their experiences with race. The Dare to Care in the Living Room series has brought insight and built empathy across multiple topics including the violence against Asian Americans and the experience of being women of color.

Giving our employees a forum to share their experiences and reaction as they manage their response to social injustice issues outside of Ford is important to us. We worked with our ERGs to develop wellness sessions for members on a regular cadence that catered to the needs of our diverse populations. For example, we partnered with our ERGs to offer wellbeing sessions for our employees and UAW workers after the trial of Derek Chauvin in the George Floyd murder and with our Veterans after the U.S. troop withdrawal from Afghanistan.

On Juneteenth, a federal holiday marking the celebration of freedom from slavery, we took action to acknowledge and celebrate this important moment in U.S. history by shutting down non-manufacturing operations for the first time in the company's history. Employees stopped their work for 45 minutes for educational sessions about the importance of the day, including a video and courageous conversations. The manufacturing facilities celebrated by sharing an educational video and learning materials.

Building an Inclusive Workforce

Our FordWorks inclusive hiring program helps us deliver on-the-job training and employment opportunities to neurodiverse individuals. Equitable pay and continual development of FordWorks employees are core values of the program. In 2021 we were recognized by the Disability Equality Index (DEI), a joint initiative of Disability:IN and the American Association of People with Disabilities (AAPD) as a Disability Equality Index Best Place to Work, for the fifth year in a row. Our score of 100% demonstrates our adherence to leading disability inclusion practices featured in the DEI.

Ford Empowering Diverse Abilities (FEDA) has several members who collaborate on accessible vehicles. Their collective expertise includes both hardware and software development. Emily Obert, co-president of FEDA, is an engineer who uses a wheelchair. She is part of the AV Experience Design team, and her lived experiences help inform better, more intuitive AV products and experiences.

DEI Education and Inspiration

The global DEI audits also uncovered varying levels of awareness and understanding, which can impact empathy and employees' ability to relate to others' experiences. This is why we are investing heavily in opportunities for learning and education. Our DEI Learning Strategy follows the sequence: Creating Awareness, Deepening Our Understanding, and Leading with Action.

We increased traditional learning opportunities, with courses including Women Rising, Understanding Systemic Racism, and Men as Allies. Significant learning resources are also available on demand on the Degreed interactive learning platform.

Degreed offers all Ford salaried employees diverse learning opportunities for professional and personal development. The curated educational resources (over 250,000 courses and 3 million articles/videos) cover numerous topics, including many dimensions of diversity, equity, and inclusion and allow for a self-guided learning approach. The DEI Learning Plan on Degreed is designed to meet people where they are on their DEI journey and provide a space to create awareness, deepen understanding, and lead with action to cultivate a culture of belonging for all. As of the end of January, we have 52,670 total users in the platform.

In U.S. manufacturing facilities, over 70 UAW and salaried employees are certified to train new employees as part of the onboarding program about the importance of DEI including the UAW-Ford commitment and behaviors critical to creating a respectful workforce.

In addition, we held numerous global programs to raise awareness and inspire our employees.

- In China, Ford Credit organized various programs during the Global Caring Month. For the sixth consecutive year, Ford Credit China has participated in the Blue Ribbon Project to provide rehabilitation training for eligible children with autism and their parents for free.
- In Europe, International Day of Persons with Disabilities was celebrated through a series of events aimed at promoting the rights and wellbeing of persons with disabilities in all spheres of society and development and to increase awareness in every aspect of political, social, economic, and cultural life.
- In Canada, Ford held its first ever National Truth and Reconciliation day in recognition of Indigenous children placed in assimilation schools in Canada by holding dialogue and panel discussions. Employees wore "Every Child Matters" designed orange shirts to honor the healing journey of Indigenous communities; for the children who survived Canada's residential schools, and remember those who did not.



CASE STUDY

The National Joint Diversity and Inclusion Program

The National Joint Diversity and Inclusion Program focuses on providing information to UAW-Ford employees on a variety of Diversity & Inclusion (D&I) topics on a monthly basis. These communications are sent to Local D&I Committee members to share at their location, and also displayed on monitors throughout the plant.

Local D&I Committees are made up of hourly and salary employees and report monthly to the National Joint D&I Program related to their topics, events, and/or concerns at their location. Additionally hourly and salary employees are trained on in-depth D&I topics, on an annual basis, in order to provide updated material and train newly appointed committee members. The National D&I committee certifies over 70 UAW and salaried employees, many of whom are Local D&I Committee members, to train new manufacturing employees as part of the onboarding program about the importance of D&I topics including the UAW-Ford commitment and behaviors critical to creating a respectful workplace.



Human Capital and Diversity, Equity and Inclusion – continued

- In our International Markets Group (IMG), colleagues in countries including Australia, India, and South Africa, launched the IMG Learning Zone to promote awareness and understanding on key diversity related topics and to advance inclusion among all ethnic and gender groups.

A Look Ahead

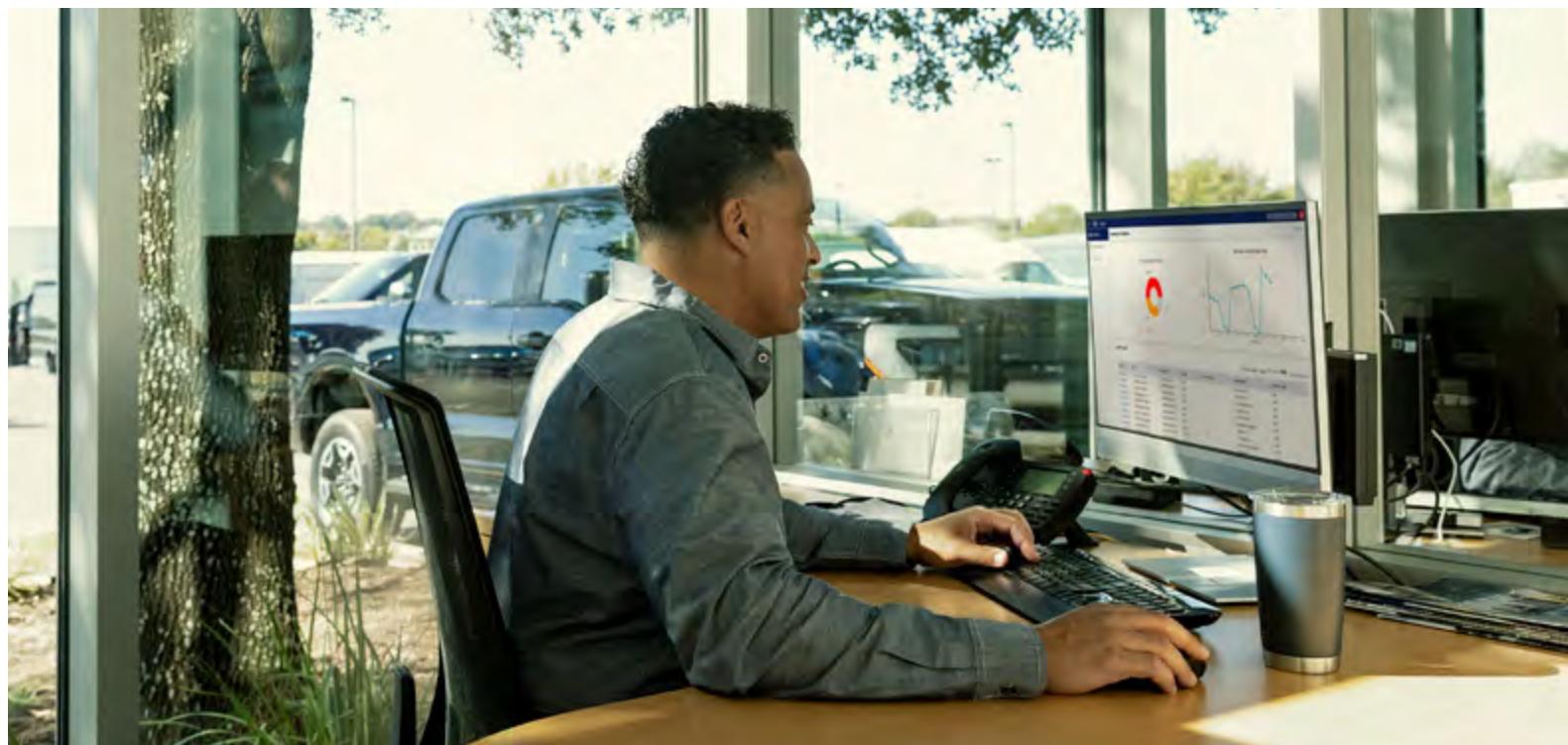
Our DEI journey is ongoing. Making sustainable progress is our core focus and we will continue to hold ourselves accountable. In 2021, each corporate officer had a DEI objective and in 2022 this was expanded to all salaried employees globally. We will continue building our data gathering and metrics capability in order to leverage actionable insights. This includes a voluntary self identification initiative to gather multiple demographics intended to provide more accurate and robust data including multiple gender options and LGBTQ+ status.

While metrics and actions are important, the sense of belonging that occurs when we get this right is game changing for our team and Ford+. We are committed to building DEI into our policies, systems, and processes in order to create sustained change across the business.

DEI in Dealerships

Ford is committed to transforming our independent Ford and Lincoln dealer network to better represent the communities we serve, and we are working with dealers to understand the customer and dealership employee experience. In the U.S. we are helping to increase the number of female and minority owned dealerships. In 2021 we increased Black-owned dealerships by 15% and plan to continue this progress.

In 2021, we worked with a third party on a survey to help our dealers globally better understand their environment and their communities. We sought to understand current DEI efforts in Ford dealerships, and analyzed the potential impact of DEI efforts on the employee and customer experience.



Based on the data collected from the nearly 200 dealers located in our 10 most diverse U.S. markets, we learned that dealers with women and employees of color in management positions largely outperformed the dealers who lacked diversity in management.

Best practice sharing will help all dealers identify their own gaps and provide ideas on how to better acquire, develop, and retain key talent that can assist the dealership in their efforts to better represent the communities they serve.

We leveraged dealer council and national meetings to drive home the thought “I need to represent my community.” Not only is it the right thing to do, but it increases business opportunities as well by enhancing customer experience for everyone who walks into the stores.

For example, a Ford dealer in Texas who participated in our study and conducted their own internal assessment identified a DEI blind spot and an opportunity to ensure that Spanish speaking customers were able to be helped by dealership employees who can speak Spanish, and they also enhanced their website and social media to be in both English and Spanish languages.

Supplier Diversity and Inclusion

Diversity and Inclusion permeates the core of our company – from the diversity of our product offerings and global workforce, to our strategic partners, supply base, and dealers. We remain committed to support, develop, grow, and promote our diverse suppliers while expanding the economic impact and growth in the community for a more sustainable future.

A Focus on Software Talent

Recruiting software talent is especially challenging in today's competitive environment. Ford has embarked upon a competitive strategy to attract, develop, and retain software talent by strengthening its workforce planning capability, creating a dedicated recruiting team and implementing a comprehensive development approach. We identified capability gaps to inform recruiting and learning plans.

New partnerships with academia have been developed to accelerate career readiness for entry level roles and with industry partners to focus on experiential learning experiences.

In 2022 we will launch the Ford Software Academy, designed to provide our talent with a space to learn, grow, collaborate, and build their capabilities. More than a collection of courses, the Ford Software Academy will be a fully realized journey, sponsored by business leaders, and built to support career-long learning. This investment in our employees will demonstrate our commitment to competing like challengers with best-in-class talent.

In 2022 we will launch the Ford Software Academy, designed to provide our talent with a space to learn, grow, collaborate, and build their capabilities. More than a collection of courses, the Ford Software Academy will be a fully realized journey, sponsored by business leaders, and built to support career-long learning.

Human Capital and Diversity, Equity and Inclusion – continued



In 2021, Ford purchased goods and services worth²⁰:

\$7.46B
from minority-owned suppliers

\$1.15B
from women-owned businesses

\$0.13B
from veteran-owned companies

\$5B
from small businesses

To date, we have sourced over \$170 billion in goods and services with diverse-owned businesses in the U.S.

In an effort to expand our spend, Ford made a strategic decision to identify global initiatives to support businesses owned by people from diverse backgrounds, beginning with women-owned businesses. We are in the discovery phase of expansion, identifying current suppliers that could qualify as a women-owned business.

To ensure diverse suppliers are considered through the entire supply chain, Ford has added Supplier Diversity and Inclusivity language into the Purchasing Global Terms & Conditions. We are encouraging suppliers to establish a Supplier Diversity & Inclusion program with specific goals and metrics on diverse supplier spend. Diverse spending by Tier I suppliers is part of our consideration for sourcing opportunities.

Ford is an active participant in supplier development diversity programs including:

MentorWE – helps certified women owned businesses to advance and develop their businesses through executive mentors. The program was co-developed with the Great Lakes Women's Business Council (GLWBC). In 2021, a MentorWe Technology cohort was developed for women in technology.

Driving A Better Tomorrow (DABT) – spotlights diversity, inclusion, and sustainability for our supply team. In 2021, DABT brought awareness to the Ford Purchasing and Supplier Technical Assistance community on the importance of education with sessions highlighting Ford of Mexico's Schools Program which provides education for children in need and the Lighthouse Program, which gives girls in India the opportunity to attend school. This set the tone for a program on eradicating child labor.

Collaborative Growth Initiative – the Michigan Minority Supplier Development Council's Collaborative Growth Initiative (CGI) Program is intended to assist high-performing Minority Business Enterprises (MBEs) by strategically growing their businesses.

Tier 2 (Widening the Inclusion Network) WIN Program

– is designed to further develop our Tier 1 partners Supplier Diversity programs through coaching, mentorship, and thoughtful partnerships with other diverse businesses.

Using the Michigan Minority Supplier Development Council (MMSDC) UniTier Tier II diverse reporting platform, Ford captured and reported Tier I suppliers' commitment to the growth and development of diversity in the supply chain. Through UniTier reporting, Ford Tier I suppliers spent more than \$3 billion with certified diverse suppliers.

Supplier Diversity and Inclusion Awards 2021

We are proud of the external recognition our supplier diversity efforts have received:

- WeConnect International, Top 10 Global Champions in Supplier Diversity. We were the only automotive company to receive this award
- WBENC, Top Corporations – Gold
- Disability:IN, DEI Index – Score of 100
- Great Lakes Women's Business Council, Excellence in Supplier Diversity
- National Minority Supplier Development Council, Corporation of the Year
- Michigan Minority Supplier Development Council, Corporation of the Year

Employee Health, Safety and Wellbeing

Caring for each other is core to Ford. At Ford Motor Company, we strive to put people first and create a culture that's focused on doing the right thing — and that includes employee health, safety, and wellbeing.

After all, our most valuable asset is our people. From a strong and caring response to COVID-19 to ensuring a safe and healthy work environment on site and at home, health, safety, and wellbeing are an essential part of the Ford culture.

Caring for Our People

Ford is a Fortune 500 company with a family feel. Promoting safety, health, and wellbeing is a collective effort, and everyone at Ford plays an essential role. Following workplace health and safety guidelines is our way of contributing to the broader community. However, simply complying with applicable laws and regulations is not enough. That's why many of our internal standards go beyond what's required to meet our commitment to our workforce in all our locations. As a salient human rights issue, not only are we focused on physical health and safety, but our employees' mental health and wellbeing are a priority as well.

Occupational Health and Safety

Safety at Ford Motor Company is guided by our Health and Safety Commitment, "Our Most Valuable Asset is our People, there can be No Compromise." This commitment is the basis of our safety culture and applies to all employees, contractors, and visitors performing work at our locations globally.

Employees at every level are responsible and accountable for the company's overall safety initiatives and performance. Safety performance is managed by Senior Leadership through Plant Operation Reviews (POR), Manufacturing Safety Councils (MSC), and Plant Safety Review Board meetings (SPRB).

We continually monitor and improve workplace safety through our internal Safety Operating System (SOS). Safety performance is measured with leading and lagging indicators. The leading indicator is Global Corrective Action Completion Percentage, this tracks the closure of corrective actions by due date. Lagging indicator is Global Lost-Time Case Rate.

→ [Read more in the Human Rights Report](#)

Safety Operating System

The global Safety Operating System (SOS) is an internal tool that ensures the work environment within our facilities is safe for our employees and meets or exceeds all regulatory and Company safety requirements. It provides a structured framework that enables the delivery of consistent results by ensuring the SOS principles are an ongoing, proactive process which is directed by leadership.

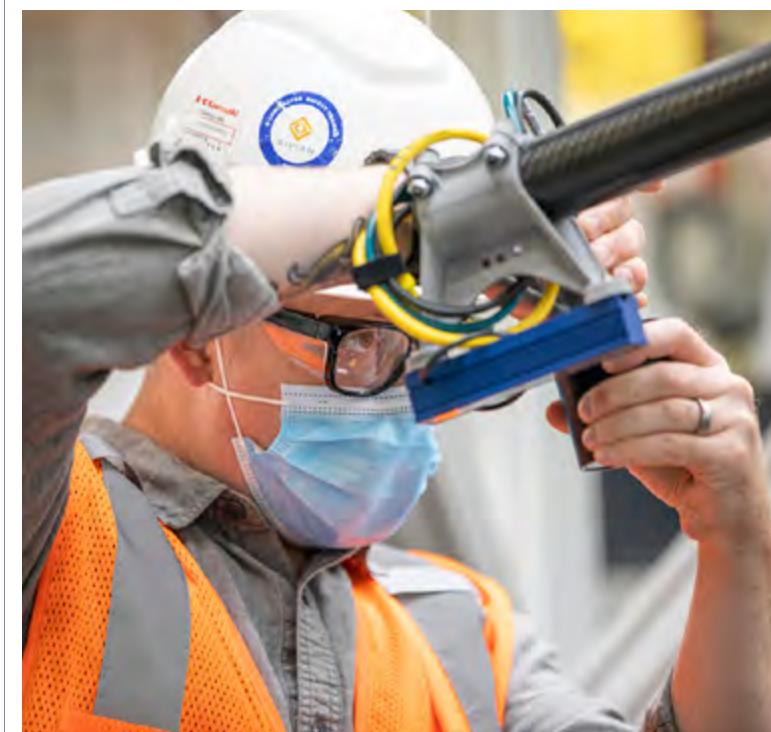
The process validates that each global manufacturing facility has the capability and the adherence to meet our safety requirements. The SOS is designed to prevent and reduce incidents through the implementation of the different elements such as: Incident Investigation and Analysis, Training, Risk Assessment, Emergency Preparedness, and other sections which incorporate the health and safety of our employees daily.

The results of each location's SOS self-assessment are reviewed globally by the Manufacturing Vice President, each Manufacturing Director in their Manufacturing Safety Council meetings, and at each facility during their plant Safety Process Review Board meetings. The Safety Operating System continues to mature and adjust as new standards and processes are added to our facilities and the use of technology is expanded.

Our SOS is designed to prevent and reduce incidents. In addition, we have internal hazard identification, risk assessment, and incident investigation processes implemented throughout our organization. Requirements pertain to contractors and all personnel on Ford majority-owned facilities, including Pre Task Analysis (PTA) identifying work hazards and mitigation, in case of occurrence. All PTAs are monitored by Ford. Contractors are instructed to report any job hazards to their supervisor and Ford representative.

Ford has a longstanding history of working with unions that represent production workers, skilled trades, and engineers to improve health and safety for our employees and workplaces. We are committed to supporting these unions and collective bargaining to ensure the health and safety of our union represented employees and locations. The company has designated members of management that interact with Union representatives at local, national, and global levels, to ensure we have open communications and collaboration to work through contractual requirements.

One of the strengths of the safety organization is the dedicated resources we have placed within our manufacturing engineering teams to ensure that engineered systems are designed and installed resulting



Employee Health, Safety and Wellbeing – continued

in safe operations for our employees. We also have safety resources assigned to oversee high-risk construction contractor work. Our dedicated resources in these critical areas of our business, along with robust standards and procedures, assure we provide safe conditions and a safe workplace at every Ford facility.

Safety training is an essential strategy to help us achieve our aspiration of a future that is free from workplace injuries. We have a long history of developing industry best in class safety training programs. Our safety training matrix lists all safety topics, the frequency for each training course, the personnel that are required to complete training, and who manages the training and training format.

We conduct regular communications and promotions on key safety issues to promote occupational health and safety. We have robust reporting processes, including all injuries, hazards, and near-misses, so we can corrective actions are taken and prevention measures are implemented. We also share safety best practices via multi-industry groups, within and outside the automotive sector, and collaborate to address common issues.

Our Safety Record

In 2021, we continued to focus on identifying potentially fatal events and high-potential incidents involving our employees and contractors globally. From these incidents, global corrective actions are initiated and tracked to ensure that the identified causal factors are addressed. These corrective actions are tracked weekly to ensure timely completion.

Due to these efforts, we have had very good success with reducing these types of events including two consecutive years without a workplace fatality in 2019 and 2020. Unfortunately, in 2021, we did experience three fatalities within our operations, two employees and one service contractor. Because each loss of life is unacceptable,



cross-functional teams worked extensively to identify and implement controls to address the hazards which created these life-changing events.

COVID-19 Response

We continue to rely on our best-in-class COVID-19 playbook to guide our response to the ongoing pandemic and the protocols we developed remain in place. Our goal is to keep all of our people safe and help limit the spread of the virus in the communities in which we live and work. We continue to closely monitor and follow health and wellness guidance from experts around the world. We also strive to keep our employees educated about the virus, its symptoms, and preventative measures they can take.

Keeping our place-dependent employees healthy and safe is an overarching goal. From the factory floor to the loading docks to the office, our employees are crucial to the company's performance. COVID-19 safety protocols are in place to protect our employees while at work. We diligently monitor our workplaces and when a COVID-19 case is reported, we have a robust care team process that ensures all protocols are followed. Throughout the pandemic, we have continued to conduct mandatory safety training and emergency drills aligned with our protocols.

We've also restricted access to visitors from outside the company to Ford facilities, including requiring business-critical visitors to complete health and wellness screening documents before being allowed entry to Ford facilities.

Keeping our place-dependent employees healthy and safe is an overarching goal. From the factory floor to the loading docks to the office, our employees are crucial to the company's performance.

We welcomed the availability of vaccines and recognize their value. Globally, we've partnered with our unions to provide on-site COVID-19 vaccinations for our employees at numerous facilities.

In November 2021, Ford became the first U.S. automaker to require vaccinations for salaried employees. Additionally in November 2021, our Canadian employees, both hourly and salaried, were also required to disclose their vaccination status.

Wellbeing

Our global, holistic approach to wellbeing encompasses the financial, social, mental, emotional, physical, and professional needs of our employees. Foundational to our wellbeing philosophy is providing a broad array of

Employee Health, Safety and Wellbeing – continued

resources and solutions to educate employees, build capability, and meet individual and organizational wellbeing needs and goals. Wellbeing is an integral part of our total rewards strategy. We are working to address business and employee challenges through a multi-channel approach that provides our diverse populations and global regions flexibility and choice to meet their specific needs.

We use data-driven insights gathered through surveys, focus groups, and claims data to understand employee needs and prioritize our wellbeing efforts. Some examples of our global wellbeing initiatives include building our global pool of trained and certified Mental Health First Aiders to provide peer to peer mental health support, Mindfulness clubs, and World Mental Health Day observances, among other things.



We also launched a new employee experience with a global wellbeing site, self-guided tools, and access to the professional support and resources to help employees achieve their own sense of wellbeing. In addition, we provide financial wellbeing support through access to investment advice and financial literacy sessions. We are committed to creating an environment where employees and People Leaders care for each other as we deliver the business objectives outlined in our Ford+ strategy.

To demonstrate ways we care for our employees, we focused many of our wellbeing efforts on mental and emotional resources mentioned above and also including the following:

- Live chats with our leadership and mental health experts to help decrease stigma as well as raise awareness of mental health and issues such as burnout
- Global Employee Assistance Programs which provide counseling support 24/7
- DEI Wellbeing focused sessions

Enabling Vaccine Availability

When Ford employees were struggling to find COVID vaccines, Wendy Burkett, Director of Global Safety and Francesca Litow, Medical Director, got to work. After some dogged persistence with the Wayne County (MI) Dept. of Health, they were able to secure vaccinations for the following Monday, just two days away. Over a busy weekend, Wendy and Francesca engaged IT and Communications to quickly create an alert system and by 9:00 a.m. Monday, 800 of their colleagues were getting vaccinated.

We also set up immunization centers on-site at each of our two South Africa plants for employees and their dependents, on-site contractors, dealers, and suppliers and we administered 14,785 vaccine doses.



Setting A New Standard

Today as we excel into the future of revolutionizing our products through electrification, we have the unique opportunity to transform the industry's approach to manufacturing by focusing on human centered design. By leveraging the strategies proven successful in Ford office environments, coupled with conducting our own research, we have formulated five key priorities focused on health equity and wellness to address the occupational demands prevalent in manufacturing. It is our intention that through these priorities, Ford will not only improve the working conditions and health of its essential workers, but also lead the transformation of the industry's business-as-usual approach to manufacturing by focusing on environmental stewardship and social equity. These priorities, above all, aim to exemplify the power of Ford+.

Health Equity

Everyone has a fair and just opportunity to be as healthy as possible.

Learning and Growth

Encourage exploration and development of soft skills and lifelong learning.

Engagement and Choice

Empower choice of how to work, rest and play when possible and appropriate.

Culture and Understanding

Advocate work-life integration and understanding of individual differences.

Environmental Impact

Align our operations to our organizational values.

Human Rights and Supply Chain Management



Human Rights: Source only raw materials that are responsibly produced

Respecting Human Rights

Our commitment to respecting human rights is unwavering.

Ford's commitment to human rights was evident when Henry Ford introduced the \$5 workday in 1914, launching the company's effort to democratize mobility and help create the middle class. This commitment stems from our purpose of helping to build a better world for all, and continues to guide our decision-making and actions both today and in the future. As we remain focused on respecting and supporting human rights within the company, we are also working with our suppliers and business partners to do the same.

Formally committing to respecting human rights through our policy, [We Are Committed to Protecting Human Rights and the Environment](#), we are also dedicated to a broader aspect of human rights – having a positive impact on the health, safety, and wellbeing of the communities where we live and work.

We have developed our social sustainability aspirations to align with our purpose to build a better world. To achieve these aspirations, Ford's Human Rights strategy, aligned with the United Nations Guiding Principles (UNGPs) on Business and Human Rights, focuses on:

- embedding the corporate policy into the business
- due diligence processes to identify, prevent, mitigate and account for human rights impacts
- providing remedial actions when needed
- transparency with our stakeholders about our processes and actions

Governance of human rights issues begins with our CEO and Board of Directors and cascades through the organization, providing a framework to assess risk through the identification of salient human rights issues, conduct due diligence, and report transparently about our actions and processes. Ford conducts human rights risk assessments across its global facilities, in addition to the saliency assessment.

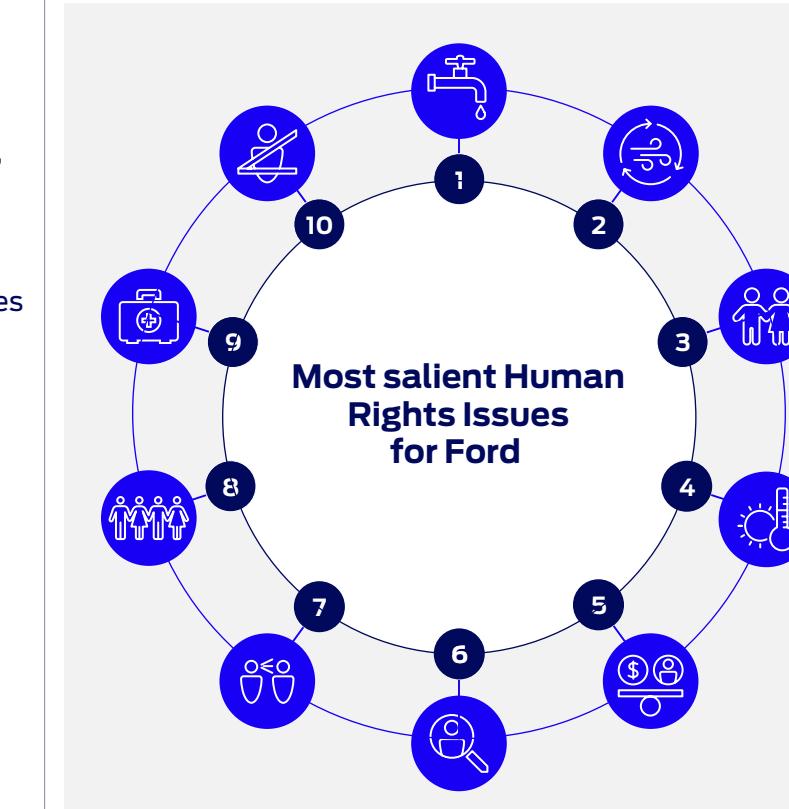
In 2021, our Salient Human Rights Governance team, with oversight from our Director of Global Sustainability, continued to manage and track our action plans to prevent, manage, and remediate salient human rights issues. This process helps us track the effectiveness of our due diligence systems and performance and indicates opportunities to further improve our efforts to address human rights, including those that affect how we source materials responsibly.

Because of our deep commitment to these issues, this year Ford has developed a stand-alone Human Rights Report, the first in the industry, to address our salient human rights issues, how they are managed, and the key actions that demonstrate our progress. It provides a more detailed look at our human rights activities and accomplishments, as well as the governance structure and practices in place to ensure implementation of our human rights strategy.

Identifying Our Salient Human Rights Issues

We conducted our third saliency assessment in line with the UN Guiding Principles Reporting Framework (UNGPRF) to identify and prioritize salient human rights issues that apply throughout our business and supply chain. The saliency assessment helped us identify which human rights are considered at risk of the most severe negative impact through the company's activities and business relationships, and any emerging issues that ought to be monitored closely.

→ [Read more about the assessment process and actions we are taking to address these issues in our Human Rights Report](#)



Our Salient Human Rights Issues

Through our human rights saliency assessment, we have identified 10 salient human rights issues that apply throughout our business, our supply chain, and other business partners in our value chain.

→ [Read more about the individual salient human rights issues in our Human Rights Report](#)

Issue	UN SDGs ‡
1 Access to water and sanitation	6 12
2 Air quality	3 11
3 Child labor	8
4 Climate change	6 7 8 9 11 12 13
5 Equal and fair wages	5 8 10
6 Forced labor and ethical recruitment	8
7 Harassment and discrimination	5 10
8 Human trafficking	5 8
9 Occupational health, safety and wellbeing	3 8 11
10 Product safety and quality	3

Human Rights and Supply Chain Management – continued

**Our Human Rights Commitments**

Aligned with the UNGP on Business and Human Rights, we are committed to respecting the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations Women's Empowerment Principles, and the United Nations Global Compact (UNGC). Our Global Framework Agreement (GFA) with industriALL Global Union reiterates our commitments to our global labor community.

Human Rights Within Ford

Our commitment to respect human rights starts with our employees. We strive to maintain a safe and healthy work environment, do not tolerate harassment and discrimination, and follow ethical recruitment practices. Across Ford, we act with integrity and transparency, creating safe, inclusive workplaces.

→ [Read more about our Approach to Human Rights in our Human Rights Report](#)

The global pandemic has sparked us to look at wellbeing in a more holistic way, considering the mental health of our employees in addition to their physical health. From labor protocols to care for site-dependent employees during the pandemic, to helping employees keep their skills current during the transition to EVs, we are committed to doing the right thing.

External Recognition

We are receiving external recognition for our efforts. When Just Capital assessed how companies serve their workers, communities, shareholders and governance, customers and environment, we ranked #1 in the Automobile and Parts category and 20th overall.

We also participated in the World Benchmarking Alliance (WBA) Just Transition Framework for the first time in 2021. We scored as leaders on social sustainability and human rights in the automotive sector but we still have work to do to improve transparency and impact. We are taking action to address transparency in our Just Transition strategy.

Just Transition

Electrification represents a revolution in the auto industry, as it reshapes the future of work. We are mindful of the impacts on our employees, our supply chain, our communities, and our customers. We are addressing and evolving our Just Transition strategy as we move towards carbon neutrality and electrification.

Ford's transformation is shaped and impacted by complex external societal, geopolitical, and environmental factors. Digital transformation is reshaping how, where, and who works today.

Digitization has disturbed business models across industries and new value streams emerge that require new skills and approaches. The global community is vastly underprepared for the upcoming impact of automation. McKinsey identified that <5% of jobs are fully automatable today, however 60% of jobs are at least 30% automatable.

With these changes Ford should consider accelerating our ability to reskill, upskill, and better develop our employees and people in the communities which we operate. We are introducing a new learning strategy to prepare Ford for today and into the future.

Supporting a Just Transition will take ongoing effort. We believe that our initiatives to create employment at BlueOval City, invest in job training and career readiness initiatives for the next generation of technicians, introduce a new learning strategy at Ford, and democratize electrification are steps in the right direction. We are working to increase electrified vehicles and charging access as well as to develop new mobility solutions.

→ [Read about our Just Transition plan in our Human Rights Report](#)



CASE STUDY

Reskill Pilots**Skill Sprint Program: a I4CP Next Practice Award Winner**

Faced with a disruption in our European markets due to factors including a shift in customer behavior, the move to a carbon-neutral transportation and a demand for device integration, we developed a Skill Sprint Program to enhance capability in the U.K. workforce at all experience levels. Ford of Europe put into effect four priority sprints, covering skills, environment, innovation, and digitization, to reskill and redeploy personnel, compete for talent against tech companies outside the automotive industry, and instill a continuous learning culture. The program, which has trained 1,400 people across disciplines and functions, was the i4cp Next Practice Award winner in 2021.

Learn to Code Academy

Digital transformation and our Ford+ Plan are driving major shifts in the skills required to successfully deliver for our customers. To help us develop software talent from within the company, Ford Credit is piloting a Learn to Code Academy which will reskill 20 non-technical talent for junior-level software engineering role using a 16-week experiential learning program. Other companies have used this curriculum with 95% success rate, and we are thrilled to see how it could address our software talent needs.



Human Rights and Supply Chain Management – continued



production sourcing decisions to support supplier engagement and performance improvement.

→ [Read more about the Supplier Code of Conduct in the Our Approach to Human Rights section of the Human Rights Report](#)

Building Supplier Capacity

Training and auditing of our suppliers is a key element of our due diligence process to enable a responsibly sourced supply chain.

As members of the Responsible Business Alliance (RBA) and Drive Sustainability, we supported the development and expansion of human rights and working conditions e-learning training modules and webinars launched in lieu of in-person training during the COVID pandemic. We extended invitations to suppliers based on risk assessment results.

To build supplier capacity on tin, tantalum, tungsten, and gold (3TG) and cobalt due diligence, we leveraged resources such as the RMI eLearning Academy and our own Ford developed modules to train nearly 100 supplier companies in 2021.

Ford plans to continue collaboration with industry organizations to develop e-learning training. These trainings are a key element of our due diligence process.

Assessing Our Supply Chain

Given the size and complexity of our supply chain, we focus on supplier sites with a higher risk for substandard working conditions based on their location, the type of parts they supply to Ford, or the processes they utilize to produce their parts.

Our 2021 supplier risk assessment included data from suppliers representing over 85% of our production global spend. The risk assessment supports our audit selection processes and provides key insights into how we can improve our human rights program.

In terms of raw material sourcing, we identify and prioritize human rights risks based on the governance in place in raw material countries of origin and the vulnerability to child or forced labor through raw material extraction, harvesting, or processing.

Auditing Our Supply Chain

We conduct Sustainability Self-Assessment Questionnaires (SAQs) with our production suppliers. The SAQ is based on the Global Automotive Sustainability Guiding Principles and Practical Guidance, which have been developed through a collaboration of global original equipment manufacturers (OEMs).

A growing element in our due diligence efforts, the SAQ is aligned with the Supplier Code of Conduct, and as such is used to assess supplier sustainability and to support Ford in identifying social and environmental risks throughout our supply base.

We are in the process of scaling the SAQ to our entire production supply base with the goal of 100% response rate, enabling us to verify that supplier policies and practices meet the standard of our Supplier Code of Conduct. In 2022, we are planning to use this information to integrate sustainability into our sourcing decisions.

Third-party social responsibility audits let suppliers know whether they meet their contractual obligations to Ford and our expectations while highlighting areas for improvement. As an RBA member, we use its Validated Audit Protocol (VAP) to assess labor, health and safety, management systems, ethics and environmental issues in our supply chain. By the end of 2021, we had conducted 1,227 supplier audits and 1,676 follow-up assessments worldwide since our program began.

→ **CASE STUDY**

Ford is First U.S. Automaker to Join IRMA

Ford is proud to become the first American automaker to join the Initiative for Responsible Mining Assurance (IRMA), expanding the company's commitment to safeguard human rights, communities where such work is done, and the broader environment. IRMA works to advance responsible mining practices, providing third-party verification and certification against comprehensive environmental and social criteria for all mined materials.

Ford's IRMA membership is another step towards the company's human rights aspiration to responsibly source all raw materials used within vehicles globally – a journey Ford has been taking steps toward for over 20 years.

As an IRMA member, Ford communicated expectations to key suppliers to source mined material from suppliers committing to and/or participating in IRMA certification. We reached out to suppliers providing parts containing aluminum, steel, rare earth elements, palladium, cobalt, lithium & nickel. Suppliers were asked to identify sources of mined materials and complete a Responsible Minerals Initiative (RMI) Risk Readiness Assessment (RRA) to better understand our supply chain's current ESG practices and gaps as well as commit to engaging with IRMA in 2022.



Human Rights in Our Supply Chain

Our commitment to human rights extends to our supply chain. Ford's supply chain sustainability strategy is to build supply base capacity that exceeds minimum regulatory compliance requirements and creates shared business value.

In 2021 we established a formal [Supplier Code of Conduct](#) that applies clear requirements and expectations for all Ford suppliers in areas related to human rights, the environment, responsible material sourcing and responsible business practices. Available in eight languages, the new Supplier Code requires all suppliers globally to enforce a similar code of practice and for subcontractors to do the same.

The Supplier Code of Conduct is incorporated within Ford's Global Terms and Conditions. In 2022, we are planning to integrate sustainability metrics into our

Human Rights and Supply Chain Management – continued

Due to the wider restrictions and site-level safety measures related to COVID-19, we had limited access to conduct audits at our planned supplier sites. In response, we utilized RBA's remote supplier audit process, including external validation and certification by the RBA, for a portion of our 2021 audits.

For any nonconformances found during the audit process, we require suppliers to develop corrective action plans. We also provide suppliers with corrective actions needed to address gaps in alignment with Ford's Supplier Code of Conduct based on their SAQ responses.

Our experience with audits demonstrates the willingness of suppliers and the effectiveness of the process to achieve progress at the facility level. We did not choose to end any supplier relationships due to unresolved audit findings in 2021.

 [Read more about our Supply Chain actions in our Human Rights Report](#)

Responsibly Sourced Raw Materials

We aspire to source only raw materials that are responsibly produced. Sourcing responsibly the thousands of different materials is an important human rights issue. We continue to maintain a leadership position in addressing human rights issues associated with conflict minerals. We have a raw materials sourcing strategy that expands our due diligence program beyond conflict minerals to include mica, cobalt, lithium, rubber, and copper.

In 2021, we began mapping and auditing our EV battery material supply chains. The program will strengthen our responsible sourcing capacity, allow for better risk assessments, and drive continual improvements in transparency, and responsibility in our cobalt, lithium, and nickel supply chains.

 [Read more about EV Battery Raw Material Mapping and Auditing in our Human Rights Report](#)

Additionally, we launched a new cross-functional team, the Responsible Materials Council (RMC), to build capacity among Ford skill teams to educate suppliers, advocate for transparency, and influence ESG considerations in sourcing and designing decisions.

To help accomplish this strategy, Ford participates in industry and cross-industry associations and engagements that standardize tools, processes, and expectations so global suppliers can responsibly source materials.

 [Read more in our Human Rights Report](#)

CASE STUDY →

Empowering Women with Responsible Mineral Sourcing Pilot Program



Ford is working with its international nonprofit and grant making partners to support and promote a pilot program that will empower women working in the copper and cobalt supply chains in the Democratic Republic of Congo. The region has emerged as a key resource for critical metals that have become the keystone of the energy transition as the automotive industry electifies more vehicles.

The Promoting the Empowerment of Women in Copper and Cobalt Mineral Supply Chains program aims to increase access to profitable, sustainable enterprises by training women on financial education, business management, mining innovation and leadership, and formalizing women's Artisanal and Small Mine cooperatives that allow equal access to market opportunities. The program will track the impact of and inform future public policy and private programs through an analytical study on women in cobalt and Artisanal and Small Mines supply chains. The program addresses poverty, one of the root cause of child labor, and demonstrates how Ford is already taking action in response to the 2021 Action Pledge for the UN's International Year for the Elimination of Child Labor.

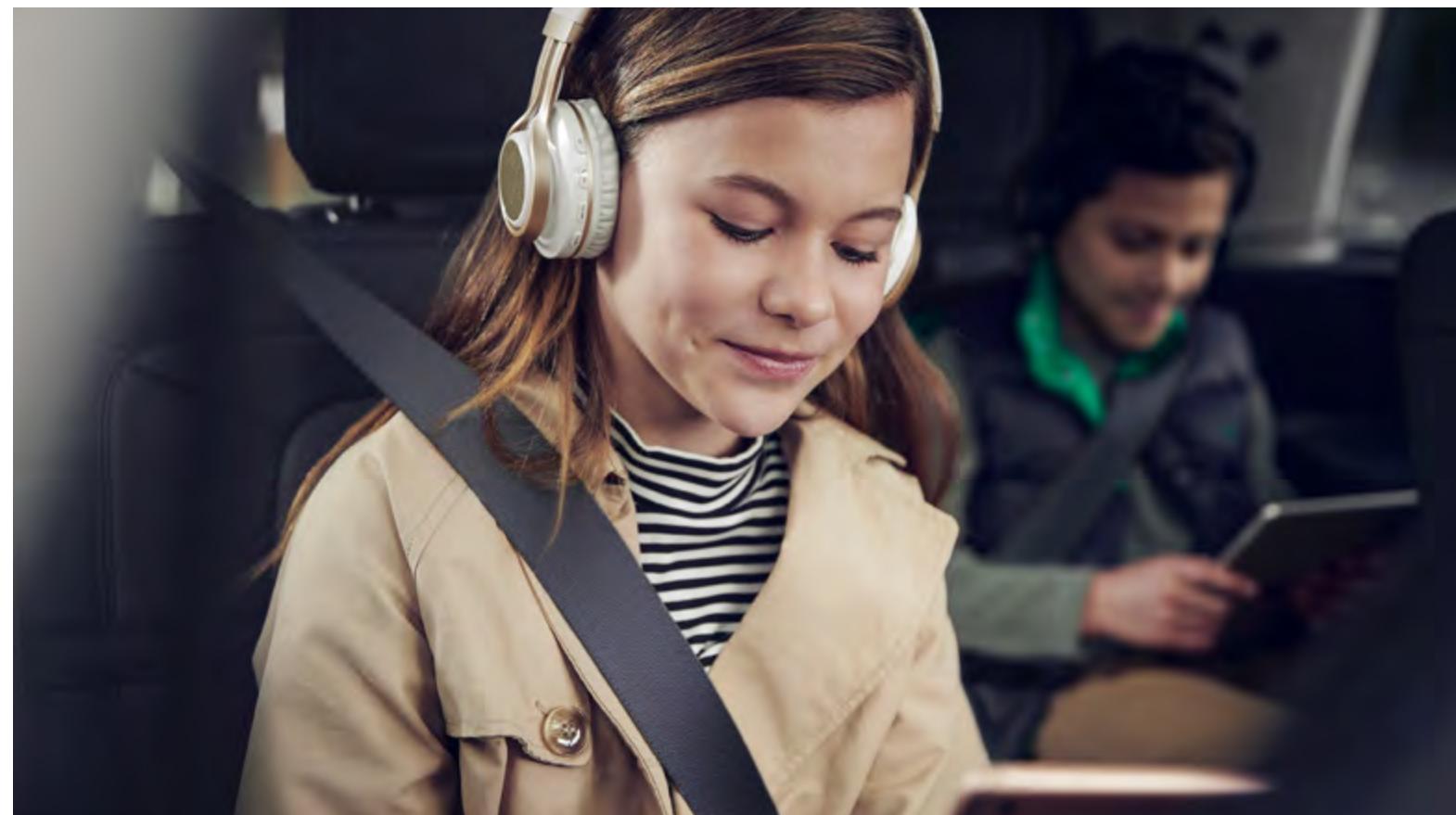
 [Read more about our commitment to eliminate Child Labor in our Human Rights Report](#)



This program will help minimize poverty of women in the cobalt supply chain and address one of the root causes of child labor. The pilot project is an example of how the auto industry can improve conditions in mineral supply chains, empower women, and protect the rights of the most vulnerable.”

Sue Slaughter,
Purchasing Material Cost and Supply Chain Sustainability Director

Vehicle/Product Safety and Quality



Safety: Work toward a future that is free from vehicle crashes and workplace injuries

Designing and Building Safe and Quality Vehicles

Our customers trust us to help get them and their loved ones where they need to go – safely. We take that trust seriously. After all, vehicle safety and quality affects all people – from our customers, to road users, to the general public and it's one of our salient human rights issues. We are committed to designing and building safe, quality vehicles that meet or exceed applicable laws and

regulations. While we are designing and building today's vehicles, we have an eye on tomorrow. We continuously seek to innovate and improve the safety of our products, utilizing technologies available today and exploring those being developed for the future. We aspire to a future that is crash-free. Ford has a commitment to deliver high levels of safety to our customers and employees. We design and manufacture safety into our products and services, creating vehicles that achieve the highest levels of safety in a range of real-world conditions. We are committed to meeting our customers' needs and expectations and performing well in public crash testing assessments.

We have processes and systems in place to confirm that our vehicles align with stringent internal guidelines on safety design and Ford-specified levels of performance for Public Domain tests (see our 2021 vehicle safety highlights). We regularly re-evaluate and update these guidelines, ensuring continuous improvement.

To achieve high levels of safety performance, we conduct engineering analyses, computer simulations and component, subsystem and full-vehicle crash tests at several sites in the United States and Europe, including crash-test facilities, the VIRTTEX (Virtual Test Track Experiment), and the Research and Innovation Center in Dearborn, Michigan.

Ford's practice is not to use animals for safety testing nor to ask or fund others to do so on our behalf, unless required by law or where there is not an acceptable alternative for critical safety research. We will continue to be leaders in creating, developing, and validating alternative methods to proving and providing product safety.

Global Safety Ratings

Ford continues to receive high marks and accolades in public and private crash testing assessments. However, New Car Assessment Programs (NCAPs) vary widely with differing protocols and evaluation criteria, and are continually updated. Consequently, it is increasingly difficult to achieve top ratings across all regions. Nonetheless, we are proud that so many of our vehicles have received 5-star ratings globally, and we continue to place considerable emphasis on our performance in these assessments.

Our 2021 Vehicle Safety Highlights:

In 2021, Ford doubled the number of TOP SAFETY PICK awards from the Insurance Institute for Highway Safety, bringing the total number of awards to 10. The TOP SAFETY PICK award requires top scores in six test categories: driver- and passenger-side small overlap

front, moderate overlap front, original side, roof strength, and head restraints. Also, the vehicles demonstrated good-rated or acceptable-rated headlight performance and superior or advanced front crash prevention for vehicle-to-vehicle and vehicle-to-pedestrian accident avoidance systems.

United States: U.S. NCAP (NHTSA)

- For the 2021 model year, eight Ford and four Lincoln nameplates were rated with 5-star overall vehicle scores (as of January 2022). This represents 100% of the Lincoln fleet.

United States: Insurance Institute for Highway Safety (IIHS)

- Ford claimed 10 Top Safety Pick/Top Safety Pick+ Awards for 2021: Escape, Edge, Explorer, Corsair, Aviator, Bronco Sport, F-150 Crew Cab, F-150 SuperCab, Mustang Mach-E, and Nautilus. This represents 63% of the Ford/Lincoln nameplates receiving the TSP/TSP+ awards.

Europe: Euro NCAP

- Ford had 10 Euro NCAP 5-star rated vehicles in 2021: Mustang Mach-E, S-Max, Galaxy, Fiesta, Focus, Mondeo, Kuga, Explorer, Puma, and Edge. These vehicles represent 83% of our fleet on sale in Europe.

China: China NCAP

- Explorer and Equator were awarded the 5-star rating by China NCAP in 2021.

China: C-IASI (China Insurance Automotive Safety Index)

- Escape was awarded all Good Ratings on safety assessment protocols by C-IASI in 2021.

→ [Read more about Product Safety and Quality in our Human Rights Report](#)

Vehicle/Product Safety and Quality – continued

Ford's advanced active safety technology fitted to commercial vehicles helps customers avoid accidents and minimize the expense and downtime of crash repairs.



Ford BlueCruise hands-free highway Driver-Assist Technology²²

Euro NCAP Advanced Awards

With millions of vans on Europe's roads, the safety of commercial vehicles is key to improving safety for all road users.

Ford's advanced active safety technology fitted to commercial vehicles helps customers avoid accidents and minimize the expense and downtime of crash repairs. In a new initiative testing the performance and effectiveness of active safety systems on many of Europe's best-selling vans, covering almost all sales, the Ford Transit and Transit Custom both excelled.

The Transit and Transit Custom were selected to receive the highest-level Gold award from independent vehicle safety authority Euro NCAP. The tests assessed the performance of autonomous emergency braking systems that help to protect vans and other road users, including pedestrians and cyclists.

U.S. Automatic Emergency Braking (AEB) commitment

Pre-Collision Assist with Automatic Emergency Braking (AEB) helps drivers to avoid certain crashes. Ford pledged to equip a minimum of 95% of all new lightweight vehicles (under 8,500-pounds) with AEB in the U.S. market by September 2022. Ford is now 1 of 12 OEMs meeting the commitment ahead of time at 96%. Ford is continuing their commitment for the next phase for vehicles in the 8,501 to 10,000-pound range by 2025/26. Ford has improved its commitment in this heavier weight class from 62% in 2020 to 75% in 2021. Ford will also be selling AEB equipped vehicles in Canada at similar levels.

Ford Co-Pilot360™ Technology

Driving is meant to be enjoyed. From the beginning, Ford has been inspired by this truth: that all people have the right to move more confidently and freely through the



world. But on our increasingly distracted and crowded roads, enjoyment often turns to stress.

We can all use more confidence on the road. Available Ford Co-Pilot360™ Technology²¹ has features to help keep you in command, from the driveway to the highway. It's helping you know what's in your blind spot, and when to slow down. It's the nudge that helps you stay inside your lane and on the right track. It's not being daunted by a tight parking spot or the steepest hill. Not being surprised by a pedestrian or unexpected stop. It's backing up with a trailer or hitching it with ease. It's in the big stuff, like hauling precious cargo, and the little details, like being able to keep both hands on the wheel when a few raindrops become a downpour. It's a clear view of the road ahead and the path behind you. It's being set free to love every moment of the journey.

The 2022 F-150 Lightning truck with available Ford BlueCruise allows for true hands-free driving on prequalified sections of divided highways called Hands-Free Blue Zones that make up over 130,000 miles of North American roads.²² Ford Co-Pilot360™ 2.0 includes Auto High Beams, Blind Spot Information System (BLIS) with Cross-Traffic Alert, Lane Keeping System and Pre-Collision Assist with Automatic Emergency Braking. We've equipped the F-150 Lightning with available smart technologies designed to make it easy to hook up your trailer with Pro Trailer Backup Assist, Trailer Reverse Guidance, Smart Hitch and Trailer Brake Controller to help you control it. Plus, it has available Onboard Scales that help keep you informed on what you're towing and hauling whether it's for work or recreation.

Vehicle/Product Safety and Quality – continued

Onboard Scales²³

This available feature offers a scale that measures payload weight automatically based on the specific capability of the F-150 Lightning. It then displays the approximate payload weight in the truck. Load information is displayed in the center touchscreen with a graphic representation of the truck or on a mobile phone through the FordPass™ App. Additionally, the truck can be set on scale mode, which zeroes out the current load and allows for approximate weighing of additional items loaded onto the pickup.

Pro Trailer Backup Assist

Whether you're a novice or a seasoned pro, backing up with a trailer can be challenging. This available feature makes it as easy as turning a knob — simply rotate in the direction you want the trailer to go and Pro Trailer Backup Assist™ responds accordingly.

Trailer Reverse Guidance

Available Trailer Reverse Guidance gives extra assistance when you're backing up a trailer, enhancing visibility via cameras in the sideview mirrors and visual guides in the center dash screen. You get a clear view of where the trailer's going while Trailer Reverse Guidance coaches you along the way.

Pro Trailer Hitch Assist™

Available Pro Trailer Hitch Assist helps you to hook up your trailer more easily by automatically controlling the steering wheel, throttle, and braking to align the hitch ball and trailer coupler. All the driver needs to do is hold down a button and control the gears. The driver is then alerted to help ensure that the coupler is high enough to clear the hitch ball. Once the two are aligned, the truck stops and you lower the trailer onto the tow ball.

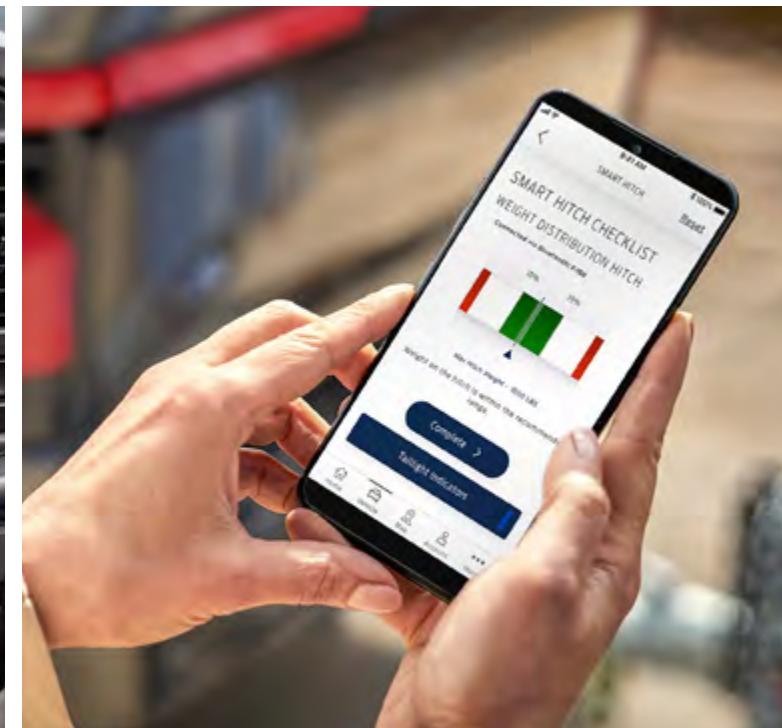
Smart Hitch

Available Smart Hitch is designed to help you easily load trailers and practice safe towing. Smart Hitch measures the tongue weight of a trailer being connected to help the customer distribute trailer weight correctly. After the trailer is set up in the center touch screen, Smart Hitch calculates its appropriate tongue weight and provides guidance on weight distribution or hitch overloading on the screen or on the FordPass App. The truck will indicate if the current hitch weight is too high or low, and can even guide owners through properly tensioning a weight-redistributing hitch.

Bringing Collision Avoidance Into View

We are building on a long-standing relationship with Mobileye, part of Intel, to develop our camera-based detection capabilities for driver assist systems. Mobileye will provide its EyeQ® family of devices, alongside vision-processing software, to support Level 1 and Level 2 driver assistance systems across our vehicles globally. New production vehicles will incorporate EyeQ chips and software to support features under our Ford Co-Pilot360 technology. This includes the Lane-Keeping System, Auto High-Beam Headlamps, Pre-Collision Assist with Automatic Emergency Braking, and Intelligent Adaptive Cruise Control.

Preproduction screen shown and is subject to change



Vehicle/Product Safety and Quality – continued**Combating Heatstroke in Vehicles**

On average, a child dies from vehicular heatstroke every nine days in the United States. In response, we have developed a Rear Occupant Alert System that gives an “in-vehicle” warning via our SYNC® system. Introduced in the 2020 model year Escape and Corsair, the system is included in all four-door 2021 model year vehicles equipped with SYNC, meeting the 2019 Voluntary Agreement.

The feature will be deployed globally where feasible.

Ford will continue to enhance warning notifications for future models and research technologies that can detect in-cabin occupant presence. These features will help address scenarios beyond those defined by the 2019 Voluntary Agreement, and should enhance effectiveness in minimizing and potentially avoiding pediatric vehicular heatstroke cases.

Driver Assist Technologies**95%**

of nameplates with the technology available for Pre-Collision Assist with Automatic Emergency Braking, Lane Keeping Alert, and Adaptive Cruise Control

85%

of nameplates with the technology available for Automatic High Beam Controller

Keeping Occupants Safe**Precompetitive Partnerships**

To enhance the safety of vehicle occupants, we work alongside other automotive manufacturers through the U.S. Council for Automotive Research (USCAR) and Canadian Vehicle Manufacturers' Association (CVMA), and collaborate with other manufacturers through Alliance for Automotive Innovation, the European Council for Automotive R&D (EUCAR), the Society of Automotive Engineers (SAE), and the International Organization for Standardization (ISO). We often publish the results in peer-reviewed journals and scientific publications.

Post-Crash Response

Our SYNC in-car connectivity helps occupants to call for assistance after an accident, and can give first responders potentially life-saving information, quickly and efficiently. In addition to providing the operator with a GPS location, SYNC in-car connectivity relays data on impact velocity, crash type, safety belt use, and airbag deployment, helping emergency services respond appropriately.

Most of our vehicles also carry the SOS Post-Crash Alert System™, which alerts passers-by and first responders to a vehicle's location.

In parallel to a mandatory EU regulation on Automated Emergency Calling Systems for new vehicles in 2018, a UN regulation to harmonize all in-vehicle systems on a global scale has also been adopted.

Product Quality

Internal and external measurements of quality and brand promotion help us assess our performance and determine where we can make improvements. All Ford plants are accredited to ISO 9001:2015.

Monitoring Quality and Satisfaction

We are on a continuous mission to make product quality one of the principal reasons why customers buy Ford, time and again.

Safety Research Partnerships

Occupant protection and crashworthiness

- Evaluating the safety performance of lithium-ion batteries with Sandia National Laboratories and the National Renewable Energy Laboratory. Effort includes developing mechanical, thermal and electromechanical multi-physics modeling capabilities to help predict lithium-ion battery performance and damage when subjected to an impact.

Technical challenges of self-driving vehicles

- Founding member of the American Center for Mobility, using its state-of-the-art facility for developing and validating test methods for self-driving vehicles.

Vehicle-to-Vehicle (V2V) safety communication systems

- Ford envisions that the future of transportation will be increasingly electric, connected, and autonomous. C-V2X is an essential component of the next generation connected transportation network. Ford plans to deploy cellular vehicle-to-everything (C-V2X) as soon as practicable subject to a conducive regulatory environment in individual markets. The ability to interact with vehicles, infrastructure, pedestrians, bicyclists, and others can help ensure safer streets to the benefit of all citizens.

Cybersecurity

- Ford's long-standing commitment to protect our customers extends to the company's software-led transformation to create always-on ownership experiences. We recognize that this transformation comes with challenges such as cybersecurity, which is why Ford has integrated cybersecurity with all stages of the vehicle lifecycle. This includes following established global cybersecurity standards (UNECE R155) for automakers, and proactively assessing the impact of cybersecurity on new areas such as data privacy, Ford Co-Pilot360 semi-automated driver assistance technologies, and development of our fully autonomous vehicles.

Driver distraction

- Partnering with universities and organizations such as the Alliance for Automotive Innovation, we are researching driver distraction and analyzing data from large-scale naturalistic driving studies.

Our 2021 Quality Achievements

- Initial Quality Study: J.D. Power initial Quality Study (IQS)**: results improved versus 2020. Ford ranked seventh among 15 OEMs and at industry average. Ford brand tied the Industry average; Lincoln improved, ranking third among 14 premium brands. Lincoln Corsair, Ford Ranger and Ford Super Duty ranked within the “Top 3” of their respective segments.

- Automotive Performance, Execution and Layout Study (APEAL)**: Ford ranked 5th among the 18 mass market brands. Lincoln ranked 4th among the 13 premium brands. Ford Mustang Mach-E and Bronco Sport were first in their segments, Compact SUV and Small SUV respectively.

Vehicle/Product Safety and Quality – continued

GRID

The Global Recall Implementation Database (GRID) is modernizing the analysis and execution of field service actions for safety, compliance, emissions, and customer satisfaction issues. With GRID, global teams can now communicate in a single tool across five major regions to expedite service fixes to customers on a global scale.

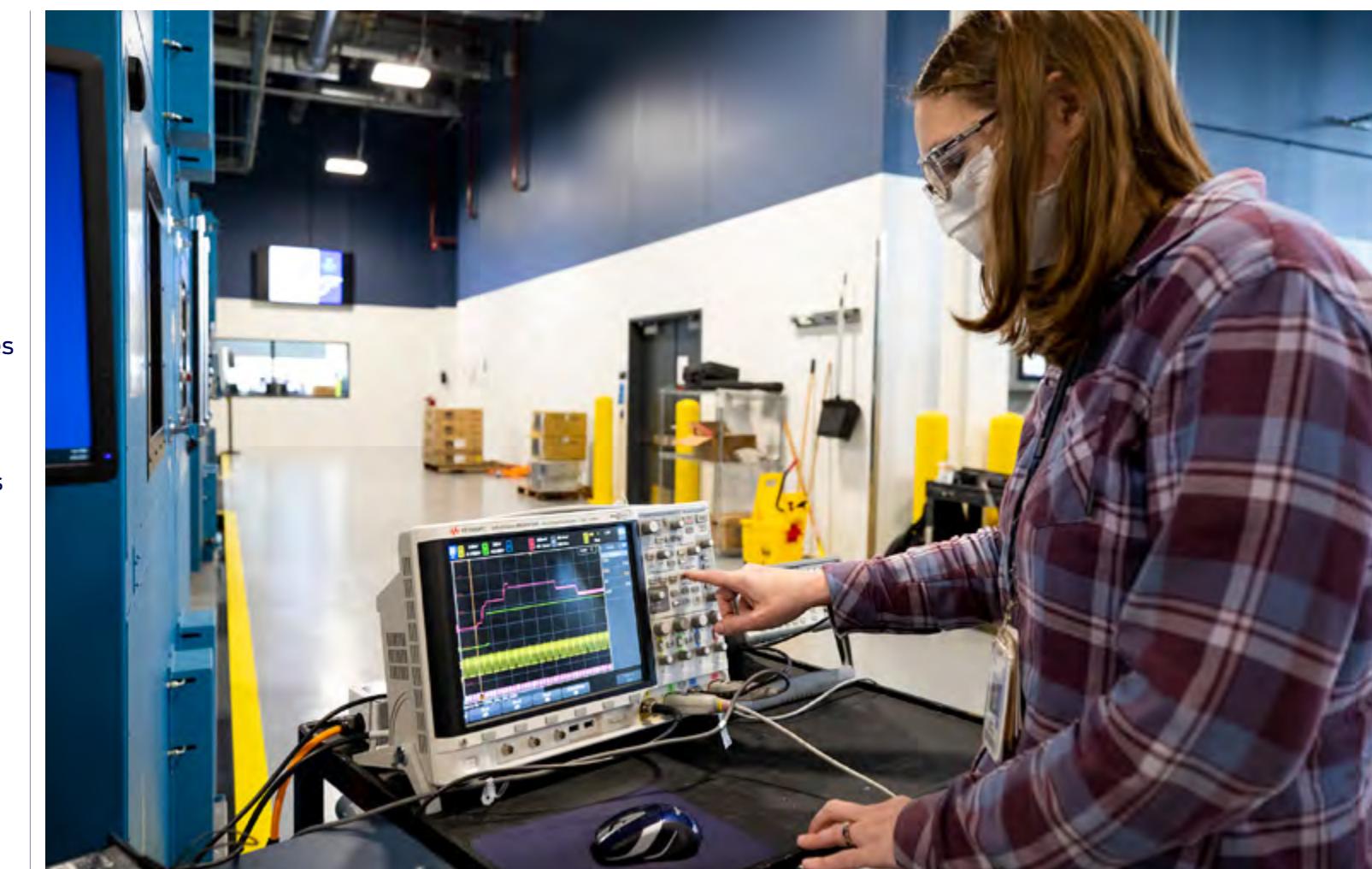
GRID launched in late 2020 and expanded to eight major IT launches in 2021. The program had been used to manage investigations globally by users across multiple organizations within Ford.

Improving Our Quality Processes

We are investing additional time and attention to continue improving in vehicle quality and customer safety. We are working to ensure quality, customer satisfaction, and recall actions have more visibility and support at all levels of the company. We have started to see a reduction in the number of the field service actions and affected units when comparing 2020 with 2021.

- Potential safety or safety compliance items are assessed through a long-standing global process utilizing a core cross-functional team with additional subject experts when necessary. The cross-functional team assesses issues and escalates through a series of designated forums of increasing leadership levels within Ford. This process can ultimately lead to review of an item at the vice-president level and become a safety recall. The core cross-functional teams exist and operate in each business region and the regional teams all come together in a global forum to share information.

- We are measuring the time to issue resolution with a “shot clock” – leveraging Quality Early Detection and using Over The Air Update (OTA) capability for faster issue resolution.
- We are increasing our use of advanced data analytics and machine learning to help with the earlier detection of potential issues across our vehicle portfolio, even before delivering the vehicle to the customer. Our Early Quality Issue Suite draws on multiple data sources, from connected vehicles to customer service calls, to accelerate the investigative process. This tool minimizes time from detection to correction by combining this information with automatic anomaly detection and root cause analysis.
- New tools will enable us to trace parts and subsystems more precisely to vehicle-specific builds when an issue arises, rather than issuing wider recalls targeting a date range of vehicle identification numbers, which generally involve broad vehicle populations that may not all be affected.
- We continue to improve investigation tracking and dealer engagement processes. Using an integrated data management system, we will soon be able to monitor all stages of a quality investigation. This will lead to faster decisions, improved parts availability, and global sharing of best practice solutions.
- We are now implementing processes to address potential customer concerns in a faster way, even before delivering the vehicle to the customer.
- We have implemented quality data dashboards for timely identification and resolution of customer concerns.

**Battery Safety Core Team**

As we progress towards electrification, new technologies mean Ford must be more mindful of how to handle incidents that arise. Our new Battery Safety Core Team, which was formalized in 2021, has developed an incident investigation system for electrification batteries that is separate from our existing protocol for ICE battery incidents.

The Team is tasked with ensuring that employees know how to respond to e-battery issues. They also focus on making sure that incidents are not indicative of a more widespread problem. The team shares its experiences and findings with the product development team, as well as with other OEMs.

Customer Experience, Marketing and Satisfaction



Improving the Customer Experience

Understanding the customer experience is essential for achieving the Ford+ Plan's goal of providing distinctive, real-world solutions, always-on customer relationships, and ever-improving user experiences.

Understanding the Customer

With our insights about customer behaviors and lifestyles, we can build emotional connections with customers and what matters most to them as they build better lives and pursue their dreams. Only through knowledge and empathy can we build customer loyalty over time.

We understand that customers want speed, convenience, personalization, and seamless experiences across every part of their lives. And when customers trust a brand, they report high levels of loyalty, opportunity for growth, and intention to recommend the brand to others. It's not enough to offer quality products and solid services – we need to deliver fast, personalized, and trusted experiences. Every interaction, every day, is a chance to earn trust and loyalty through honesty, expertise, and care.

Treating Customers Like Family

It starts with valuing our customers as members of the Ford family. In fact, treating customers like family is part of Ford's heritage. And all of our employees play a critical role. To build a culture of customer-centricity, we are empowering our employees with new learning opportunities and tools, such as a support program that gives them quick assistance to resolve vehicle issues for themselves or their friends and family.

We are on a mission to enhance the entire customer journey, from the dealership to the FordPass app, and everything in between. Every touchpoint, from purchase through setup, repair, maintenance, and renewal, is covered as we seek to foster a network of loyal customers and brand advocates. And as we lead the electric revolution with connected, all-electric vehicles and Ford Pro's leading commercial vehicle line-up, we are creating distinctive services that help people more easily manage EV lifestyles and businesses enjoy the advantages of electrification.

Ford: Always-on

As the pandemic raged on, disrupting business as usual, our approach to our customers has been changing and accelerating to meet evolving expectations – moving from a one-time sales and buying interaction to embracing the entire customer experience throughout the vehicle ownership cycle. Always-on. This change impacts everything we are doing at Ford, from how we design the in-vehicle experience to establishing a connected, transparent infrastructure to how we build commercial vehicles.

For many Ford owners, their vehicle is a reflection and extension of their lifestyle – and we want to help them make the most of it.

The Evolving Role of E-Commerce

The retail environment is evolving rapidly with changing customer preferences triggered, in large part, by the difficulties of the pandemic. We've seen an acceleration to online shopping and a demand for convenient, remote experiences like pickup and delivery, and the use of mobile service vans that come right to the customer's door.

Customer Experience, Marketing and Satisfaction – continued

In March 2021, we launched our Mustang Mach-E Cart and Checkout commerce platform in the U.S. and Europe, providing an end-to-end online experience that includes financing, trade-in appraisal, accessories, and more. Customers can choose to do everything online and even have their vehicles dropped off at their front door. The feedback has been excellent, customers love the process, especially the transparent pricing tool.

The learnings from Mustang Mach-E's online experience will inform our next phase of eCommerce capabilities – and a similar experience will be used for F-150 Lightning.

Buyers as far away as Norway have been able to choose accessories, do paperwork and arrange delivery of Ford vehicles – all from the comfort of home. This super-convenient platform provides a new way to welcome customers to the Ford family.

In China, we have set up a new EV organization to sell direct to customers either online or through Ford Select city stores, starting with the Mustang Mach-E. We had 25 stores at the end of 2021 and will be on track to open 100 within five years.

In this environment, it is essential to listen to customers and deliver experiences that meet their needs. Even as customers return to dealerships, they want to engage with stores in new ways using the digital, remote, and touchless experiences we now provide.

As a result of these circumstances and our always-on approach, Ford's ranking in the Forester customer experience index improved from 13th to 8th in 2021.

Pickup and Delivery

Strengthening our commitment to provide an elevated level of customer support, we began pickup and delivery services in the early days of the pandemic, when some Ford dealerships realized that customers would appreciate getting their vehicles serviced while staying safe in the comfort of their home. The process is simple –

customers call their local dealer to schedule an appointment and request an at-home or at-work pickup. On the day of service, customers receive updates via phone, text or e-mail to keep them informed of their vehicle's progress, and it's delivered back as soon as the service is complete.

The experience was well received, and dealerships saw a rise in customer satisfaction scores. In 2021, we expanded the popular service by making it available to all of our 8.5 million FordPass Rewards members, adding an extra level of convenience for regular vehicle maintenance calls and showing our customers that we value their time. It also aligned with our aspiration to be the industry leader in remote services by the end of 2021, which includes hundreds of mobile service vans, loaner vehicles, and vouchers to ride-sharing services.

Discover Your Ford

The need for customer education doesn't stop after the vehicle is delivered. It's an ever-evolving journey, and as life events and vehicle uses change, so does the need for additional learning. Discover Your Ford, launched in 2021, caters to the different learning styles of customers to provide the best possible education experience.

A user-friendly, direct-to-customer learning experience, Discover Your Ford offers customers the flexibility to discover more about their new vehicle when and where they want, including live stream sessions focused on specific vehicle features, a digital feature guide, and an on-demand video library full of short helpful tips on setting up and using their vehicle.

Customers can even schedule a guided virtual tour, so they can video chat with a Ford product expert for a more personalized experience. The learning platform is initially targeted for the Ford F-150, Mustang Mach-E, Bronco Sport, and Bronco. More vehicles will be added as they become available.

Expanding Loyalty and Membership Programs

Membership of our FordPass and Lincoln Way apps increased to more than 9 million members in the U.S. This community forms the foundation of our advocacy programs. In the U.S., our FordPass Rewards Visa rewards customers for everyday spending. Now we are strengthening our FordPass Rewards program – already one of the most comprehensive auto industry loyalty programs in North America – by adding Blue, Silver, and Bronze tiers to reward and recognize our most loyal customers.

Each higher tier unlocks exclusive membership benefits, giving customers even more ways to redeem points. Members in the top two tiers, Silver and Blue, will be eligible for complimentary Pickup and Delivery services. Members also have access to exclusive partnership offers and discounts with Costco and others. Additionally, FordPass app customers have access to information on FordCredit and recalls, vehicle health alerts and access to emergency services, all at no cost.

We are expanding the program through experiential tiers and the FordPass Rewards Visa Card, as we build out similar loyalty programs in other markets like Canada.

Ford Pro: Redefining Value for Commercial Customers

Ford Pro is the global business and brand within Ford dedicated to government and commercial customers of all sizes to help them accelerate productivity, improve uptime, and lower operating costs through connected services and work-ready gas and electric vehicles.

We are reinventing the entire customer experience with our new tech-enabled **Ford Pro Solutions**. Ford Pro Solutions Teams work with customers one-on-one throughout the journey to design, set up, and implement the right solution for their business – constantly evaluating needs and providing access to Ford Pro's experts in areas like charging, data, and digital services.

CASE STUDY →

Mobile Vehicle Spa

Oil changes, washes, checking tires, and handling everyday "dings" on a vehicle are chores that eat up precious time. So Lincoln Strategy Manager Justin Counts and his team disrupted the status quo with a Mobile Vehicle Spa that brings service to customers! With a lot of convenience (and a touch of luxury), the pilot program in Houston, TX, creates value beyond the purchase and makes being a Lincoln owner even more of a pleasure – another way Ford is always-on for customers.



Customer Experience, Marketing and Satisfaction – continued



We're going to give commercial customers even more reasons to choose and rely on Ford. Our team understands that when customers win, we win, so we're completely focused on unlocking tremendous value for them."

Ted Cannis, CEO, Ford Pro

They also work closely with dealers customizing solutions for their customers. For businesses that want to go electric, we don't just email a set of directions. Customers can engage Ford Pro Solutions Teams to work hand-in-hand on their transition, to help understand how they use their vehicles and help design, install, and operate the right charging infrastructure.

As Ford Pro grows its business, it is introducing **Ford Pro Intelligence**, a cloud-based platform that powers a suite of digital services that supports a commercial customer's total fleet operation.

The biggest pain point we hear from commercial customers about managing their fleet – even more than lowering costs – is not having a single place to access all of their information across vehicles and service. Ford Pro Intelligence solves this problem by integrating Salesforce with always-on access to the Ford Pro services they need to increase productivity and keep the focus on their customers.

Services, which are being rolled out in stages, are designed to generate higher levels of customer satisfaction and loyalty, include:

- Ford Pro Vehicles – Commercial trucks and vans, including gas, diesel, hybrid, and electric versions,

upfitting to meet the needs of almost any business – E-Transit and F-150 Lightning Pro are two of the latest examples of Ford's continuing commercial vehicle innovation

- Ford Pro Charging – Integrated and end-to-end solutions for home, public, and depot charging for customers to make a seamless transition to electric vehicles with customer support to help plan, install, operate, and maintain an electric fleet
- Ford Pro Software – Business productivity tools that link gas, diesel, and electric vehicles together to manage fleets holistically, on Ford or non-Ford vehicles, to improve uptime and cut costs
- Ford Pro Service – A network of commercial-focused dealers across the country with uptime tools embedded like mobile service which reduces downtime by servicing customer needs where convenient for their business
- Ford Pro Financing – Simplified financing, invoicing, and bundled solutions to make back-office management as hassle-free as possible

Ford Pro connected uptime tools combine data, digital services, and human support to get vehicles back into operation. This has shown a 40% reduction in days down in parts related cases. The network effect of Ford Pro's connected solutions can potentially reduce total cost of ownership anywhere from 10% to 20%.

Our Dealerships

Our dealers are on the front lines of customer engagement. Dealers are the face of Ford in their communities. In many cases our dealers are the first to introduce customers to Ford and Lincoln products, services and experiences.

Our dealers are transforming to meet the moment as customer behavior changes.



CASE STUDY →

Ford has extensive dealer training through a formal dealer employee training curriculum. Included in this program are courses related to financing and financial services with Ford. To ensure responsible financing of our dealers, we monitor customer concerns and work with dealers to resolve the complaints. In 2021, we worked with a third party on a global survey to help our dealers better understand their environment and their communities. We leveraged dealer council and national meetings to drive home the thought "I need to represent my community." Not only is it the right thing to do, but it increases business opportunities as well.

More than 20 dealer interviews were conducted to gain insights and share best practices. We learned about great initiatives our dealers have, such as female employee lunch and learns, flexible hours program and remote work options for employees, and employee conversation meetings to share experiences. Best practice sharing will help all dealers identify their own gaps and provide ideas on how to better acquire, develop, and retain key talent.

Ford Pro Debuts All-Electric E-Transit

The 2022 Ford E-Transit van, the all-electric version of the best-selling cargo van in the world⁵, is getting to work early. Through a Ford Pro pilot program, companies nationwide, such as Penske Truck Leasing and National Grid, have taken delivery of preproduction units of the E-Transit van with plans to use early learnings that will help deployment into their operations when the vehicle arrives to market early in 2022.

In June 2021, Ford launched SecuriAlert in Europe, Ford's smartphone-powered security system which helps vehicle owners feel more at ease regarding the safety of their car. The system operates by sending a notification to the vehicle owner's smartphone when it identifies activity around the vehicle, such as attempts to open doors or gain access with a key, providing peace of mind to customers when their cars are out of sight – or out of earshot.



Customer Experience, Marketing and Satisfaction – continued



We see this as a long-term initiative that will strengthen the customer experience while improving our dealers' business. The work done was presented to the Ford National Dealer Council, who are now supporting us in raising awareness at all Ford Dealerships.

Reimagining Business as Usual

The COVID-19 pandemic forced Ford and our dealers to reimagine “business as usual.” The new normal includes more remote and touchless experiences, as people shop for and reserve cars online. The pandemic has accelerated digital, remote, and touchless experiences as customers are engaging in new ways. This spurred us to accelerate digital, remote, and touchless experiences and also to make strategic choices, prioritizing work that leads to transformational change.

As the pandemic continues, we've employed return-to-work playbooks, staff training sessions, cleaning protocols, personal protective equipment (PPE), and other health and safety protocols to keep our employees and customers safe.

Lincoln's Partnership with Calm

Our commitment to wellbeing has never been stronger. To help customers in their pursuit of mental wellbeing, Lincoln has partnered with Calm, a leading meditation and mindfulness app, to offer owners a complimentary one-year premium membership to the service.

Sales and After-Sales Service

To meet the demand for a touchless experience, we have expanded our pickup and delivery service from a few pilot stores to a global program that delivered more than 100,000 remote service events in 2021. In China, we've completed almost 30,000 pickup and delivery events for Ford and Lincoln customers, and seen a 30% uptick in demand for this service through the WeChat app.

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Treating customers like family is at the heart of everything we do. Delivering a better customer experience is what differentiates Ford, strengthens relationships and increases loyalty.”

Elena Ford,
Chief Customer Experience Officer



Customers want the flexibility to learn about their new vehicle, when and where they want. In the U.S. we've introduced Discover Your Ford, a user-friendly customer education program that includes guided virtual tours, live stream sessions, a digital feature guide, and an on-demand video library. In South America, we launched the pre-onboarding Virtual Booking and 360Guide.

Once their car has been delivered, our customers are looking for more remote and digital solutions as well as experiences that offer ease, convenience, transparency, and personalization. We developed our Mobile Service program to bring vehicle maintenance and light service to our U.K. and U.S. customers at home or work. Mobile service is also being deployed in key International Markets such as Thailand where we are also modernizing with Remote Technical Assistance for Dealers through SWIS “See What I See” utilizing high tech headsets for two way communication between Dealer Technicians and Ford Engineers.

→

CASE STUDY

Ford and Sonoma Winegrowers Team Up to Electrify Farming Business

The Sonoma County Wine Growers, with more than 1,800 members in Northern California, is planning to advance its sustainability efforts, with the help of the Ford Pro suite of electric vehicles, charging and telematics services. Ford Pro and the growers are launching a pilot program that will add F-150 Lightning Pro pickups, E-Transit cargo vans, and Ford Pro Intelligence products and services to three pilot farms.

The farms are being outfitted with Ford Pro charging stations to complement the solar power that has been a critical part of the group's push for sustainability since 2014. Ford Pro Intelligence services are expected to help optimize their gas and electric fleets by providing always-on access to vehicle health reports and other data that help reduce operating costs, vehicle downtime, and fuel consumption.

The heart of the mission: to demonstrate how electric vehicles and web-based fleet management tools can help the agriculture industry increase productivity, improve sustainability, and lower the total cost of fleet ownership.



Customer Experience, Marketing and Satisfaction – continued

CASE STUDY →

FordPass App Helps Rescue Stolen Transit Full of Dogs

Ford is now equipping all new vehicles with built-in modems as standard to add vast connected vehicle functionality, including the ability to pinpoint locations remotely. This feature came in handy in the U.K. when a man's Transit Custom, with a bunch of dogs in the back, was stolen. The dogs were dropped off and found later in a park. The thieves' next move in the Transit showed up on FordPass, which traced the van to another part of the park where police seized the vehicle.



Time is money for our hard-working business customers; so we're focused on keeping them on the road through programs like Ford Pro and our Ranger Support Teams in Australia, Thailand, and South Africa.

Responsible Marketing

When it comes to our marketing and advertising we want to ensure that we are representing the diversity of our customer base and their perspectives in an authentic way. To that end, our focus on diversity, equity, and inclusion extends beyond who we show in our advertising to how we source the creative development and production of our content across all mediums.

We have programs in place to ensure that we are not only giving opportunities to content creators from underrepresented groups but we are also trying to provide training and mentorship on our sets and throughout our marketing process.

We are also pushing to produce our marketing assets as sustainably as possible and continue to grow best practices from our EVs all the way through to how we shoot social content.

Our four initiatives on Responsible marketing include:

- Ford is a member of Green the Bid. Through this partnership we are trying to guide the shift in marketing commercial production industry towards sustainable and regenerative practices.

- As a founding partner of Free the Work, Ford champions underrepresented creators across different rolls within marketing commercial production process.

- Ford is also a sponsor of the Streetlights program where we fund and support entry level on set production training as well as union qualification days for people in established rolls. All of this is in support of providing training and job placement across different marketing production roles for people in underrepresented groups who have not gotten access before.

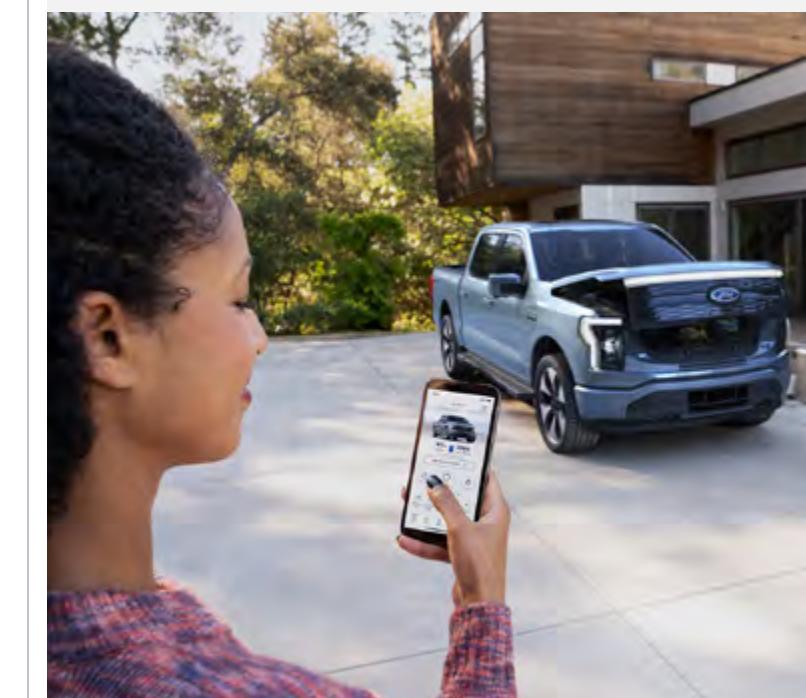
- Ford has also pledged with AICP's Double the Line effort. With this pledge, we fund paid, on set training for black, indigenous, and people of color (BIPOC) candidates to get useful experience in the marketing production industry.

As a company we are interested in helping all of our customers pursue their dreams. We work to assure that our marketing, product offerings, and services meet the needs of and attract our current customers as well as potential customers from a broad variety of backgrounds. And we always assure that all of our marketing work is routinely monitored and reviewed for legal and compliance.

CASE STUDY →

Technology for All

Making advanced technologies available to millions of people has been part of Ford's DNA since its founder Henry Ford introduced the Model T to open highways to all mankind. That spirit guides our approach to new innovations, including remaining the only automaker to offer complimentary FordPass features such as remote vehicle starting and unlocking and SYNC 911 Assist that can automatically call emergency responders after a crash. Meantime, other automakers have moved these highly desirable features to subscriptions with monthly costs.



Socioeconomic Contribution and Community Engagement

Strengthening Communities

Through our philanthropic arm, the Ford Motor Company Fund (Ford Fund), we work with nonprofit organizations, community partners and across the global Ford network to provide access to resources and opportunities that build equity and help underserved and underrepresented communities reach their highest potential.

In 2021, Ford Motor Company and Ford Fund invested \$74.4 million in charitable contributions to help strengthen and serve communities around the world. Our initiatives included empowering nurses to run their own mobile healthcare centers, serving communities that need health services the most, providing vocational training to Thai children living on the street, supporting literacy and STEM activities for students in the United Kingdom and more.

Our desire to build a better world has always been a part of Ford. Our community engagement work dovetails with our Human Rights and Climate Change initiatives as we work to strengthen communities and make people's lives better.

Mobilizing Our Team to Support Communities

Ford is proud to have employees who lead the charge in community engagement, not just within the company, but also within their professional fields and local communities. Each year, tens of thousands of employees around the world volunteer in community service projects, bringing skill, enthusiasm, and teamwork to nonprofits, helping to get essential jobs done while the organizations focus on serving people in need.

September marks Global Caring Month, our annual month-long focus on community service and giving back. In 2021, Ford Fund awarded \$700,000 in grants to support the humanitarian efforts of 149 employee-nominated community organizations in 34 countries.

Ford Volunteer Corps

Managed by Ford Fund, Ford Volunteer Corps is a global network of thousands of Ford employees and retirees who have logged more than 1.7 million hours volunteering across six continents since 2005 — building homes or gardens, renovating schools, feeding the hungry, installing clean water systems, and more.



CASE STUDY →

Inspiring the Next Generation of STEM Careers



In order to inspire the next generation of inventors and mobility makers and build the workforce of tomorrow, we must engage today's students with the STEM subjects of science, technology, engineering, and math. To that end, Ford has been at work over the past three decades creating vibrant, cutting-edge educational opportunities that change lives. These programs engage thousands of middle school, high school, and college students, who go on to make a big impact in their STEM careers.

For example, Ford is Strategic Partner of FIRST®, helping to build engineers and scientists of the future. We actively sponsor teams in 87 high schools and in 136 elementary and middle schools located across the United States. More than 240 Ford employees mentor students during the year, working together to sharpen students' knowledge of STEM. In Detroit, we've sponsored the Detroit Hispanic Development Corp.'s FIRST Robotic Competition teams, as well as creating a career technical education program and providing funding to update their machining shop.

The Ford Motorsports team is leaning into DEI and STEM as well, using racing to rev up engineering interests among Detroit high school girls. Teammates partnered with the Girls in Engineering Academy to create workshops that expose the girls to aerodynamics, wind tunnels, pit stop demonstrations, and more. The girls also met the inspiring Shelby Hall, a top Ford off-roading racer.

240

Ford employees mentor students during the year

Socioeconomic Contribution and Community Engagement – continued

Investing in Communities Through Ford Fund

In our corporate home of Southeastern Michigan and around the world, Ford Fund develops and funds initiatives that meet basic needs, provide access to essential services, help build new skill sets, and open pathways to high-quality jobs. Key 2021 highlights include:

- **Ford Resource and Engagement Centers** are a Ford Fund innovation that brings nonprofit partners together in a collaborative environment to support surrounding communities. Following months of limited or modified programming, all five of our global community resource centers reopened for in-person programming and services. Our two facilities in Detroit, along with centers in Romania, South Africa, and Thailand served residents with essential food distribution, tax and legal services, entrepreneurship programs, job training, and more.
- Through the **Motor City Kares** initiative, we provided two Black-owned Michigan dental providers with custom Ford Transit vans converted into mobile dental clinics to provide access to critically-needed oral healthcare services to residents in Southwest Detroit and across Southeast Michigan.
- Ford's investment in restoring the historic Michigan Central Station and surrounding buildings and area into a new 30-acre mobility innovation district expands our reach in the Detroit area. **Michigan Central** serves as an open platform for partnerships, bringing together innovators, established brands, educators, policymakers, foundations and investors from Detroit and around the world in a dynamic urban ecosystem to co-create mobility solutions that can help make the world better, more accessible for everyone. Ford and other partners are also creating educational and alternative learning solutions at Michigan Central, designed to skill and reskill people for the jobs of today and the future. These programs will target underserved and underrepresented groups, building a better world in the communities where we work.

- Leveraging the company's mobility expertise, we are using a low-speed **autonomous vehicle shuttle** to deliver 10,000 pounds of fresh food to mobility-challenged seniors in the Michigan Central impact area in Southwest Detroit during a six-month pilot.

→ [Read more in Mobility Solutions and Autonomous Vehicles section on p.51](#)

- **Disaster relief** is an important aspect of Ford Fund's work. Around the world, we contributed more than \$1.3 million to disaster relief efforts in 2021. We donated \$100,000 and mobilized more than 2,000 employee volunteers to support flash flooding relief in Germany. In the U.S., we worked closely with emergency response organizations, nonprofit partners, local Ford dealers, and regional team members to assist with relief and recovery efforts following Hurricane Ida and the devastating tornadoes in Kentucky.
- Through numerous **mentoring, entrepreneurship, and educational initiatives**, we helped hundreds of thousands of students, women, Black, and Hispanic people of all ages and stages of life build new skillsets, remove barriers to economic success and create opportunities for growth. For example, in 2021 Ford Fund awarded \$50,000 in grants to the winners of a pitch competition focused on social enterprises run by women.

COVID: #FinishStrong

Supporting communities as they continue to battle the ongoing consequences of the pandemic remained a focus in 2021.

- A leader in COVID mitigation efforts, we were one of the first automakers to continuously make personal protective equipment for our workforce, healthcare workers, first responders, and the public. In March 2021, we fulfilled our commitment to donate 120 million **masks** to at-risk communities with limited access to



PPE. Working with Ford Fund's nationwide network of nonprofit partners, we provided adult and child-sized masks to community organizations, Ford dealers, state and local officials, schools, and first responders in all 50 states.

- Through Ford Fund's longstanding partnerships in the Black and Hispanic communities, we brought together CEOs from 11 of the nation's leading multicultural organizations in a **#VaxWithFacts** public service announcement to provide trusted info about the COVID-19 vaccine. The organizations featured in the public service announcement are all members of Ford Fund's multicultural advisory committee. Created in 2017, the committee serves as an advisory council to help Ford Fund and each of the participating nonprofits shares insights into key issues affecting communities of color.

- We opened a community vaccine center in Craiova, Romania, and administered more than 14,600 vaccinations to some of the community's most vulnerable residents.
- When COVID cases surged in India and Brazil, we provided \$200,000 in emergency funding to assist nongovernmental organizations delivering food, cleaning supplies, and other essential items.



- In partnership with Ford South America, we distributed food, hygiene, and medical kits to more than 8,000 families in Argentina, Brazil, Chile, Colombia, Peru, and Venezuela.

→ [Read more about how we strengthened and served communities in 2021 in the Ford Fund annual report](#)

120M
masks donated fulfilling our
commitment to at-risk communities

1.7M
employee volunteer hours since 2005

More than
\$2.2B
invested to strengthen communities
since 1949

Building a Healthier Planet

Protecting the Environment





This generation is the first to feel the impact of climate change, and the last that can do anything about it. Ford is leading the electric revolution and standing for stronger standards to protect both people and the environment as we progress towards a zero-emissions transportation future. We have always been a leader in sustainability and are continuing in our efforts to leave future generations with a cleaner planet.”

**Bob Holycross, Vice President,
Chief Sustainability, Environment and Safety Officer**



Overview

We're doing our part to address the urgency of climate change and accelerating our progress to carbon neutrality no later than 2050

We're reimagining how EVs – and the batteries that power them – are designed, manufactured, and recycled, creating an all-new electric vehicle ecosystem. And creating good jobs and a growing business that delivers value for everyone who relies on Ford.

We're aiming to achieve carbon neutrality no later than 2050.

Ford is committed to being fully carbon neutral worldwide across our vehicles, facilities, and suppliers no later than 2050.

We're accelerating the electrification revolution.

We're acting now to ramp up production of our zero-emissions vehicles. We've pledged to work towards sales of all new cars and vans being zero-emission globally by 2040 and are on track to have 50% of our global vehicle mix fully electric by 2030.

[Read more about our road to Carbon neutrality on p.84](#)

We're matching our ambition with action.

Ford is the only full-line U.S. automaker to align with the Paris Agreement and to stand with the California Air Resources Board in support of stronger GHG standards from vehicles.

We're changing how our products are made.

We're reducing the effects of our operations and supply chains through world-class facilities, including our commitment to sourcing 100 percent carbon-free electricity for our global operations by 2035. By using recycled and renewable materials in our vehicles' design, we're reducing landfill waste and using fewer natural resources.

[→ Read more about our Sustainable Financing Framework on p.27](#)

Sustainable Development Goals

We are contributing to the following UN Sustainable Development Goals (SDGs):



Our Sustainability Aspirations



Climate Change: Achieve carbon neutrality no later than 2050



Air: Attain zero emissions from our vehicles and facilities



Water: Make zero water withdrawals for manufacturing processes
Use freshwater only for human consumption



Energy: Use 100 percent carbon-free electricity in all manufacturing by 2035



Materials: Utilize only recycled or renewable content in vehicle plastics



Waste: Reach true zero waste to landfill across our operations
Eliminate single-use plastics from our operations by 2030

Climate Change



Climate Change: Achieve carbon neutrality no later than 2050

→ Read more about this Salient Human Rights issue in our Human Rights Report

Achieving Carbon Neutrality

Our climate is changing faster than the world can keep up. Rising sea levels, droughts and forest fires indicate the urgency of the situation. A comprehensive effort is needed to meet the goals of the Paris Agreement.

In fact, Ford is working to minimize its impact on climate change aligned with the United Nations Framework Convention on Climate Change (Paris Agreement). We are committed to doing our part – it's a strategic priority, one of our salient human rights issues, and integral to our purpose of helping make a better world. And it's driving our transition to electrification and our goal of achieving carbon neutrality no later than 2050.

Our Long-Term Aspirations and Near-Term Commitments

To achieve our carbon neutrality goal, we are focusing on three areas that account for approximately 95% of our CO₂ emissions – our vehicles, our operations, and our supply chain. The steps we're taking are:

- Electrifying our iconic vehicles beginning with the Mustang Mach-E, the F-150 Lightning, and the E-Transit. By 2026, we expect annual production of more than 2 million EVs. By 2030, we expect EVs to represent half of global volume. In Europe, we expect 100% of our cars to be fully electric by 2030. Two-thirds of commercial vehicle sales in Europe will be all-electric or plug-in hybrid by 2030 and all commercial vehicles in Europe will be zero emission by 2035.

- Investing in EV technology and charging infrastructure to remove obstacles to electrification. We're investing \$50 billion in electric vehicles and battery production from 2022 through 2026.
- Investing in sustainable manufacturing to create an ultra-efficient, carbon-neutral manufacturing ecosystem. Our new mega-sites in Tennessee and Kentucky are ushering in an era of sustainable electric vehicle manufacturing.
- Working with our suppliers to reduce their emissions and develop science-based emissions reduction targets in line with the Paris Agreement.

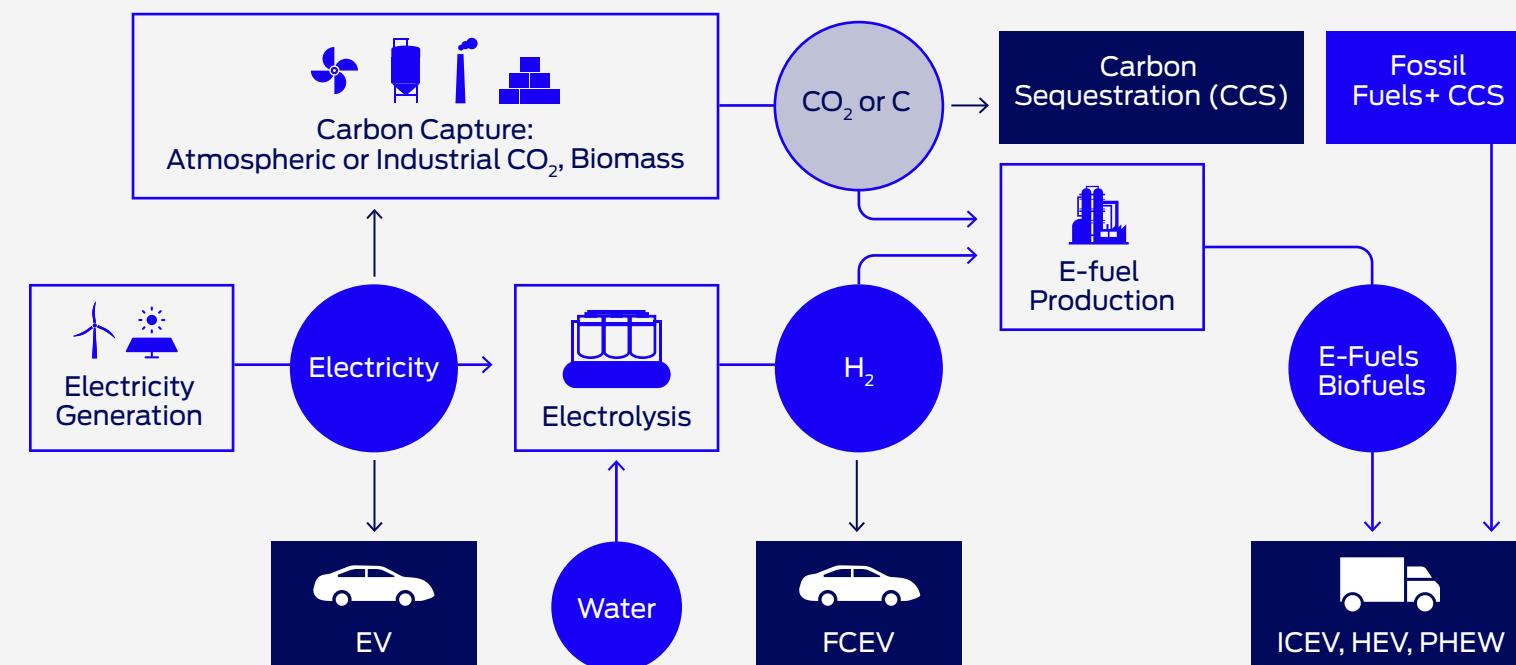
Achieving our long-term carbon neutrality goal is ambitious and complex. To ensure near-term progress, we have developed science-based interim targets and joined global coalitions working towards our common goal.

For example, Ford joined RouteZero, a global coalition working towards all sales of new cars and vans being zero-emissions globally by 2040, and no later than 2035 in leading markets.

This builds on our previous commitments to President Biden's agenda to reduce GHG emissions in the United States by 50-52% by 2030, have 50% of our global sales volume being EVs by 2030, the UN's Business Ambition Pledge for 1.5°C, and to the New Deal for Europe initiative to devise a comprehensive Sustainable Europe 2030 Strategy. We've also joined the U.S. Department of Energy's Better Climate Challenge to reduce GHG emissions from our facilities by at least half in the same timeframe.

The above pledges are backed by interim targets approved by the Science Based Targets initiative (SBTi). Our emissions targets call for a 76% reduction in Scope 1 and 2 GHG emissions by 2035 from a 2017 base year, and a 50% reduction in Scope 3 GHG emission per vehicle kilometer from use of sold products by 2035 from a 2019 base year.

Future Carbon-Neutral Transportation



EV: Electric vehicle; **CCS:** carbon capture and storage; **FCEV:** fuel cell electric vehicle; **HEV:** hybrid electric vehicle; **ICEV:** internal combustion engine vehicle; **PHEV:** plug-in hybrid electric vehicle

This goes beyond tailpipe emissions, and includes reducing vehicle emissions from a fuel-cycle perspective (well-to-wheels) which include the production and consumption of fuel during vehicle use. Our Scope 1 and 2 operations target is aligned with the SBTi 1.5°C path, while our use of sold products (vehicle) target is consistent with the well-below 2°C target. These targets do not include offsets and are strictly GHG reduction targets.

Addressing climate change is a global issue that no company, industry, country, or organization can achieve on its own. It will require collaboration to drive progress.

76%

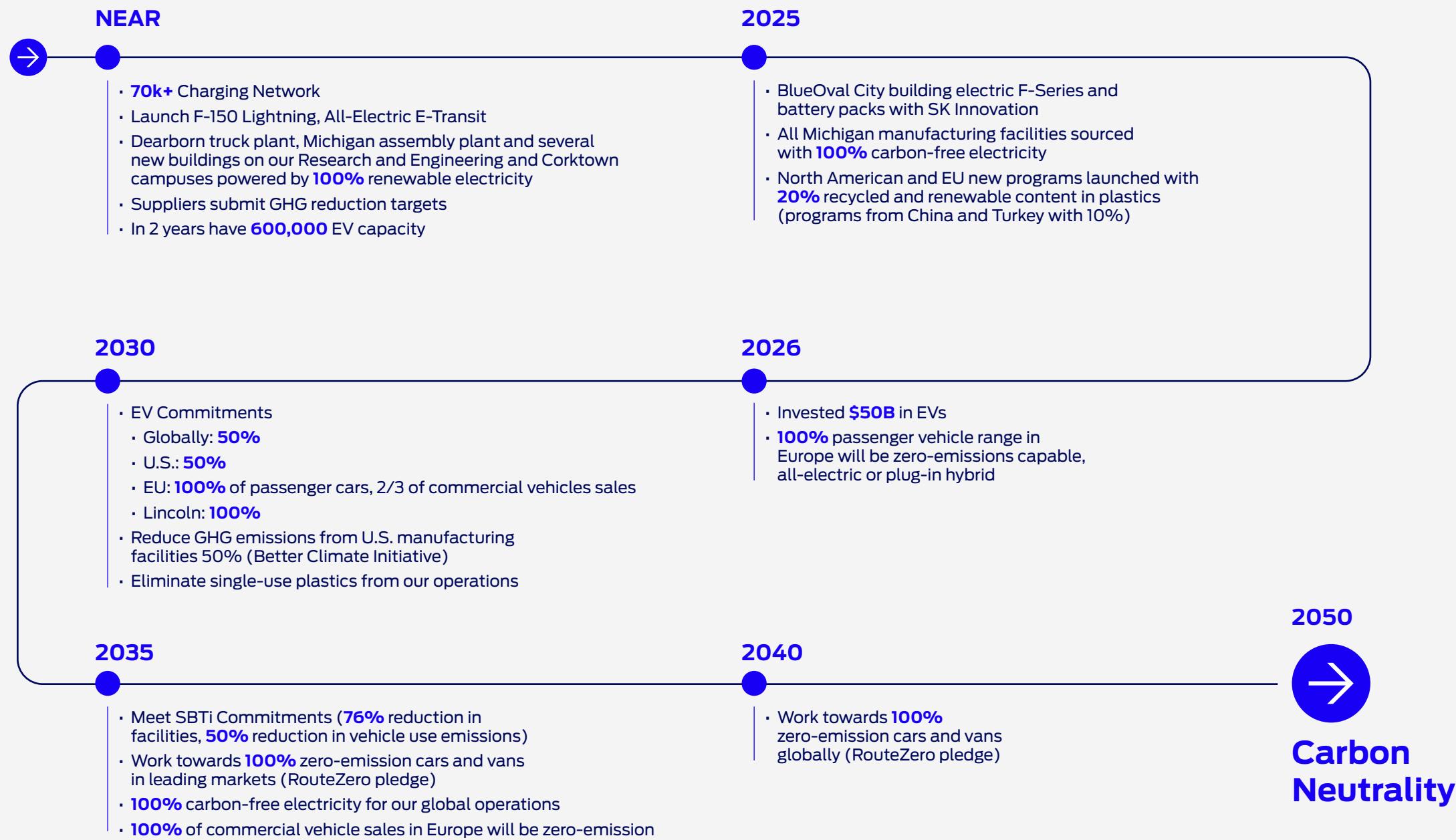
target emissions reduction in Scope 1 and 2 GHG emissions by 2035 from a 2017 base year

50%

reduction in Scope 3 GHG emission per vehicle kilometer from use of sold products by 2035 from a 2019 base year

Climate Change – continued

The Road To Carbon Neutrality



Ford Joins Global Climate Change Pledge

Ford is proud to work with RouteZero, a global coalition working towards 100% fully electric vehicles globally by 2040, and in leading markets no later than 2035.

At COP26, the UN Climate Summit in November 2021, Ford joined with more than 50 businesses, cities and regions committed to rapidly accelerating the transition to zero-emission vehicles to achieve the goals of the Paris Agreement.

Signatories also committed to “supporting a global, equitable, and Just Transition.”

CASE STUDY →



It is fundamental to our company values that we continue to lead the way in reducing the impact our plants have on the environment. We are committed to long-term sustainability and delivering environmental initiatives that are good for people, good for the planet, and good for Ford.”

Andrea Cavallaro, Operations Director, International Markets Group and South America

Climate Change – continued

We will continue to work with partners in the public and private sector including the Climate Leadership Council and the Center for Climate and Energy Solutions Business and Environmental Leadership Council. Our goal is to show our leadership and advocate for stronger GHG standards, climate resiliency, and infrastructure that help remove obstacles and build the market for electric vehicles.

Ford's Approach and Progress Toward Our Aspirations

Our current climate strategy, built on our long history of using science-based GHG pathways, is focused on the deep decarbonization of our value chain and aims to integrate consumer wants and needs, the possibilities of technology, and the requirements for business success. Our carbon-neutral approach analyzes information on the environment, customers, technology, legislation, energy, competitive approaches, and life cycle assessments (LCAs). As climate science and technology develops, we will further refine and adjust our science-based GHG targets to accelerate our progress.

Here are some key highlights on Ford's progress and approach. More detailed information can be found in the Reducing our Vehicle CO₂ section below.

Vehicles

Electrification is a key strategy to address the urgency of climate change. However, for the transition to electrification to be successful, we must make the electric vehicles that our customers want and demand. We are responding by taking our most iconic, popular vehicles electric – the Mustang Mach-E, F-150 Lightning, and E-Transit.

Currently we are on track to achieve 50% fully electric vehicle sales globally by 2030, and 100% fully electric passenger vehicle sales in Europe. Two-thirds of

commercial vehicle sales in Europe will be all-electric or plug-in hybrid by 2030 and all commercial vehicles in Europe will be zero emission by 2035.

Operations

Our operational goals include both Scope 1 and 2 emissions for manufacturing and non-manufacturing locations. To achieve these goals, we are focusing on improving efficiency and increasing our use of carbon-free electricity.

In addition to our 2035 SBTi target, we have committed to reduce our global manufacturing Scope 1 and 2 GHG emissions by 18% by 2023 from a 2017 base year.

As an example, our new BlueOval City assembly plant in Tennessee is designed to be carbon neutral, send zero waste to landfill, and use freshwater only for human consumption at the start of production in 2025.

Helping Our Dealers to Reduce Carbon Footprint

In Germany, we support our dealers with energy consulting services to reduce their carbon footprint, resulting in 5,000 tons of CO₂ reduction for 200 dealers.

Suppliers

Our new Supplier Code of Conduct mandates that all Tier 1 production suppliers minimize their impact on climate change aligned with the United Nations Framework Convention on Climate Change (Paris Agreement), striving towards carbon neutrality. It also requires that our suppliers enforce a similar code of practice and require that their subcontractors do the same. The Supplier Code of Conduct requires suppliers to:

- Report their Scope 1, 2, and 3 emissions and water usage data to Ford if requested.
- Establish science-based GHG reduction targets, action plans, and transparent reporting mechanisms.

This year we conducted a supplier survey to identify each supplier's GHG reduction targets. If they did not yet have one, they are required to submit their targets by the end of 2022. Then we can develop a joint roadmap with our suppliers on our journey towards carbon neutrality.

We have also established internal targets for increasing engagement with our supply chain partners, including building on our successful CDP Supply Chain reporting program and our Partnership for A Cleaner Environment (PACE) programs.

Supporting Our Customers

Ford is building the future of zero-emissions vehicles and breaking constraints to lead the electric revolution, investing \$50 billion from 2022 through 2026 in electric vehicles and the batteries that power them. We're not only electrifying our signature nameplates in areas where millions of customers already rely on Ford vehicles, we're showing our customers the clear advantages of electric vehicles – from sustainability to performance, power, and digital integration, Ford is creating capacity, capability, and convenience in our vehicles that were never possible before.

F-150 Lightning Charges into the Future

Electrification amplifies the attributes our customers love, such as performance, capability and convenience. For example, F-Series, America's best-selling truck for 45 years, charges into the future with the F-150 Lightning – a powerhouse that delivers a targeted 563 horsepower and 775 lb.-ft. of torque⁶ – the most torque of any F-150 ever – a smooth, quiet, and exhilarating drive, a high-tech front trunk, and the ability to power your home for at least three days, if needed.

Within our new line-up, disruptive technology allows us to enrich the customer experience and make the transition to electric vehicles simple.



Ford Europe

Ford of Europe's clear vision to be "All in on EVs" is central to us achieving our sustainability objectives. Not only does it address the largest portion of our CO₂ emissions as a region, it provides a sustainable foundation and catalyst for further change, as we drive forward our carbon neutrality plans for our facilities, supply chain and transportation network.

We are well on the way to achieving our objective of 76% reduction in scope 1 and 2 emissions and 100% carbon-free electricity in our manufacturing operations by 2035. We are now focused on developing plans to address one of our biggest challenges, how to transition our extensive, global supply base to carbon neutrality.

100%

carbon-free electricity in our
manufacturing operations by 2035

Climate Change – continued



At Ford, we understand the urgency of climate change, and we have a role to play. We are delivering exciting electric vehicles for the many rather than the few. As we take leadership of the electric vehicle revolution, our goal is to not only build high-quality vehicles at scale, but to do so in a way that creates a positive impact on people and the environment.”

Cynthia Williams, Global Director Sustainability, Homologation and Compliance

Built-in charging solutions route customers to nearby charging stations, recommend where to charge on trips and provide easy access and payment via FordPass² for a seamless customer experience.

For public consumption, the BlueOval Charging network has over 250,000 charge points in Europe – and it's growing – helping give customers confidence that they can get where they want to go. In Europe, Ford is a founding member and shareholder in the IONITY consortium – delivering high-power charging stations along motorway routes and at key European locations. The number of IONITY high-power charging points will more than quadruple to around 7,000 by 2025.

- [Read more in our TCFD Report](#)
- [Read more in our U.S. Political Engagement report](#)
- [Read more in our We Are Committed to Protecting Human Rights and the Environment policy](#)

Reducing Our Vehicle Carbon Footprint

Life Cycle Assessment of Our Vehicles

Cutting GHG emissions associated with the use of our vehicles is central to our goal of carbon neutrality by 2050. We use a range of analytical tools to identify and measure the potential environmental and cost impacts of our vehicles or services over their life cycle, from the acquisition of raw materials, through vehicle production, distribution and use, to end-of-life disposal or recycling. Understanding these impacts helps us reduce our environmental footprint.

In terms of GHG impact, vehicle use is the main source of emissions. Use-phase CO₂ emissions depend on many factors, including the energy source and the way the vehicles are driven. Using the GHG Protocol methodology and preliminary data to estimate emissions from vehicle on-road use, we calculate that our vehicles sold in 2021 will produce approximately 250 million metric tons of CO₂e from fuel production and combustion over a 150,000 mile lifetime, on a well-to-wheels basis.

A Portfolio Approach

Vehicles	Fuel	Customers
Accessible lower-carbon options: • Advanced propulsion options • Electrified vehicles • Fuel cell vehicles • New engine/transmission technologies • Aerodynamic improvements • Weight reductions	Developing vehicles that use lower-carbon fuels: • Electricity • Biofuels • Compressed natural gas (CNG) • Liquefied petroleum gas (LPG) • Hydrogen • Carbon-neutral e-fuels	Providing options for different vehicles and fuels, and how those vehicles will be maintained Promoting “eco-driving” through training, information, and in-vehicle technology

→ CASE STUDY

Supply Chain Responsibility

Supply chain responsibility is best addressed in partnership with other manufacturers and suppliers. Thus, the German Association of the Automotive Industry (VDA) founded the Responsible Supply Chain Initiative (RSCI) with 14 founding members from the automotive industry. We are working with the VDA and others to improve our understanding of supply chain risks and to help the suppliers with a consistent approach. As a result, RSCI is developing a standardized test procedure for evaluating the sustainability performance of automotive suppliers. RSCI is launching initial pilot assessments in 2022. The RSCI audit platform will facilitate suppliers' sharing of audit results and avoiding any duplication of efforts.

Minimizing our Supply Chain Impacts

We rely on thousands of suppliers to provide materials, components, and services for our vehicles. By sharing what has worked well at Ford, we can help them cut costs, improve quality, and become more sustainable. We engage with our supply chain to understand our collective

environmental footprint and work with selected suppliers through target setting and cascading best practices to reduce their carbon emissions, energy consumption, water use, and waste.

By sharing successful initiatives with nearly 80 key suppliers through our Partnership for a Cleaner Environment (PACE) program, we are cascading best practices through our supply chain. So far, our suppliers have implemented projects in at least 13 countries: United States, Argentina, Brazil, Canada, China, Czech Republic, Germany, India, Mexico, Poland, Serbia, South Africa, and Thailand. Around 182 million gallons of water savings are expected between 2020 and 2030 through PACE suppliers. FastPACE, a streamlined version of PACE, is helping reduce the impact of key partners in China, India, Thailand, and South Africa. Supplier participation has increased from 2020 to 2021 by over 60%. As a result, FastPACE suppliers are on track to save an estimated 4,909 metric tons of CO₂ and 24 million gallons of water over the next three years.

Climate Change – continued



Although we focus on improving tailpipe or tank-to-wheels (TTW) emissions, we also continue to study well-to-wheels (WTW) impacts in keeping with our carbon-neutrality aspiration. These include the production (well-to-tank, or WTT) and consumption (TTW) of fuel and electricity during vehicle use. WTW emissions vary between vehicle, engine type, and energy source. Our Scope 3 SBTi vehicle CO₂ target is based on WTW emissions.

We acknowledge the fact that WTT emissions are part of the total vehicle life cycle; however, these emissions are beyond our direct control. We, therefore, look to address these impacts in collaboration with a range of partners, including fuel and electricity producers, infrastructure developers, and governments.

Advances in Engine and Transmission Technologies Gasoline Engines

As we develop our electric vehicles, we are ensuring that our internal combustion engine (ICE) powertrains continue to provide a desirable balance of performance, fuel economy, and durability while meeting increasingly stringent criteria emissions requirements. Our EcoBoost engines are deployed across nearly 100% of the portfolio, and combine engine downsizing, turbocharging, direct fuel injection, and twin-independent variable cam timing to improve fuel economy without compromising performance.

We've recently coupled our 3.5L EcoBoost engine with hybrid technology in the PowerBoost™ Full Hybrid F150, offering significant fuel savings along with



Electrification represents the most transformative change of our industry in over 100 years and at Ford of Europe, we are leading the way in our ambition to create a sustainably profitable all-electric future. We're doing this with both passenger vehicles and commercial vehicles, providing customer choice while delivering CO₂ performance."

Stuart Rowley, President
Ford of Europe

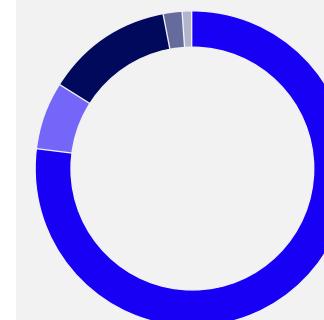
enhanced capability, such as providing exportable power. Additionally, we've incorporated advanced full and plug-in hybrid systems in multiple vehicles globally, including our new Maverick hybrid truck, achieving EPA-estimated 42 miles per gallon in the city* for under \$20,000 in the U.S. In Europe, the Kuga is number 1 in its segment for all plug-in hybrid electric vehicles (PHEVs).

*2.5L Hybrid powertrain. Actual mileage will vary.

Diesel Engines

Modern diesel engines offer reduced CO₂ emissions and fuel consumption, especially in commercial applications requiring heavy load and towing capability. Thanks to advanced diesel engine technology, they can achieve 20–30% better fuel economy than comparable gasoline engines in specific markets and segments, such as light

CDP Carbon: Ford 2021 Reported Emissions



Well to Wheel (WTW) = Well to Tank (WTT) + Tank to Wheel (TTW)

95%+

of our emissions are from vehicle use, facilities and suppliers. Now reporting WTW vs. TTW vehicle emissions in keeping with our recently approved science based targets

Climate Change – continued

commercial vehicles and heavy-duty vehicles. We continue to optimize these benefits in our EcoBlue and Powerstroke offerings.

In Europe, the 2.0-liter Ford EcoBlue diesel combines the refinement and performance traditionally associated with Ford diesel, with emission control solutions capable of addressing the challenge of Real Driving Emissions (RDE). The Kuga, Transit, and Transit Custom offer a mild hybrid version of the 2.0-liter EcoBlue, completing the lineup of efficient powertrains and adding an electrified option, with further improved fuel economy and Auto Start/Stop.

Advanced Transmissions and Drivelines

We continue to optimize our transmissions by upgrading electronic controls to improve fuel economy and emissions. We have introduced a 7-speed automatic transmission for Ford Fiesta and Puma (including mild-hybrid variants), while most Ford vehicles will continue to use the 8-speed automatic transmissions for front-wheel-drive vehicles, and a 10-speed automatics for rear-wheel-drive vehicles. Our transmission team is now shifting focus to develop innovative technology for electrified vehicles.

Alternative Fuels and Powertrains

Alternative fuel vehicles enable our customers to reduce their CO₂ footprint during the transition to electrification. Depending on infrastructure, technology development, policy, and customer acceptance, our path toward a long-term carbon-neutral portfolio will be powered by some combination of electricity, hydrogen, and hydrocarbon fuels from sustainable sources. Examples of hydrocarbon fuels are sustainable biofuels and fuels synthesized from electricity, water, and carbon. Synthetic fuels made from electricity are often called “e-fuels.” We anticipate that different regions will adopt different solutions and different mixes of electricity, hydrogen, and hydrocarbon fuels.

Alternative fuel vehicles can reduce GHGs on a well-to-wheels basis, which includes emissions from both producing and consuming the fuels. Compared to conventional gasoline (E10) vehicles, GHG emissions are about 15% lower for diesel and compressed natural gas (CNG) vehicles, 25% lower for B20 (20% biodiesel blend) and 30% lower for E85 (85% ethanol from corn). Even more reduction is possible with FCVs (50% lower GHGs using hydrogen from steam methane reforming) and EVs (60% lower when charged with U.S. average grid electricity). When hydrogen and electricity are produced using carbon-free energy, the in-use GHG reduction is up to 100% on a well-to-wheels basis.

We offer our customers many vehicles that are capable of using these reduced-GHG fuels. All our diesel vehicles are compatible with low-level biodiesel blends (B20 in U.S., B7 in Europe). Also in Europe, our Transit, Transit Custom, Transit Courier, Transit Connect, and Ranger are compatible with paraffinic diesel (EN 15940) such as HVO/E-diesel. Paraffinic diesel can be blended with standard fossil diesel fuel resulting in up to 33% renewable content.

In motorsports, the M-Sport Ford World Rally Team is combining both alternative fuels and electrification. All FIA WRC Rally competitors will use a fossil-free fuel in the 2022 season, blending synthetic e-fuel and biofuel elements to produce a fuel that is 100% sustainable. The new M-Sport Ford Puma Hybrid Rally is Ford's first electrified competition car.

Reducing Emissions in Our Operations

Improved energy efficiency and conservation in our facilities and manufacturing processes have resulted in a 35% reduction in our GHG footprint since 2017. Using energy more efficiently, procuring power from carbon-free sources, reducing GHG emissions from our operations, and making our transportation and

Vehicles Powered by Alternative Fuels

	Renewable Biofuel Vehicles	CNG and LPG Vehicles	Hydrogen Fuel Cell Vehicles (FCVs)
Fuel	Ethanol , made from fermented corn sugars or sugar cane, is usually blended with gasoline (e.g., E10, E15, E22 or E85); ethanol from non-food feedstocks is technically feasible Renewable diesel and biodiesel can be made from soy, canola, rapeseed, corn or palm oil, or animal fats, and mixed with fossil diesel Biodiesel via transesterification (FAME) typically has lower blends (B5,B7,B20) Paraffinic renewable diesel produced via hydrotreating (HVO) or the Fischer-Tropsch process can be blended at higher concentrations (R33 up to R100)	Compressed natural gas (CNG) Liquefied petroleum gas (LPG) DME under investigation	Hydrogen made from natural gas or electrolysis of water Hydrogen fuel cell system converts stored hydrogen to electricity
Benefits	Biofuels made from renewable resources may reduce CO ₂ emissions Next-generation biofuels made from plant cellulose use stems and leaves, reducing competition for food crops	Lower well-to-wheels CO ₂ emissions than gasoline or diesel vehicles Lower non-CO ₂ emissions	Zero-emission electric vehicles (tailpipe) with only water and low-temperature heat as by-products Upstream hydrogen production emissions become zero with a renewable electric grid
Models	E85 FFV (U.S.): F-150, F-250, F-350, F-450 Super Duty, Police Interceptor Utility, Transit, Transit Connect, Transit Cutaway/Chassis Cab, E-350, E-450 Cutaway and Stripped Chassis E85 FFV (Europe/in France and Sweden only): Kuga, Fiesta, Puma, Focus, Transit Connect B20 (U.S.): F-250, F-350, F-450, F-550, F-600, F-600, Super Duty Pickups and Chassis Cabs; F-650 and F-750 Medium Duty Chassis Cab R33 (Europe EN 590): All diesel models are compatible R100 (Europe EN 15940): Transit, Transit Custom, Transit Courier, Transit Connect, Ranger	Wide range of U.S. commercial vehicles with CNG/Propane prep kits: F-250, F-350, F-450, F-550, F-600, F-650, F-750, Transit Connect, E-Series Cutaway, F-59, F-53 RV Stripped Chassis Fiesta LPG in Spain	

Climate Change – continued



CASE STUDY →

Creating a Sustainable Manufacturing Ecosystem – BlueOval City

The creation of our new BlueOval City plant in Tennessee is crucial to our long-term vision to lead America's transition to electric vehicles and introduce more sustainable, carbon-neutral manufacturing. BlueOval City is designed to achieve carbon neutrality, send zero waste to landfill, and use freshwater only for human consumption once fully operational. The \$7 billion investment supports our goal of creating a sustainable American manufacturing ecosystem as it creates jobs for the local communities and builds on Ford's position as America's leading employer of hourly autoworkers.

logistics more sustainable and efficient all play a role in reaching our carbon neutrality goal. We are also mindful of opportunities to have a positive impact in the local community and surrounding ecosystem. This work is guided by our global manufacturing carbon reduction strategy.

Our energy-efficiency and conservation efforts over the past decade have focused on improvements to lighting, compressed air, rotating equipment (fans, pumps and motors), and heating systems. We've also improved processes and consolidated and/or closed plants to improve utilization of operations. The net effect of these efforts is a 35% absolute reduction in our global manufacturing GHG footprint since 2017. In fact, we achieved our previous manufacturing GHG emissions target in 2017, eight years early, through initiatives such as installing LED lights and updating our painting operations.

Our present manufacturing target is an 18% absolute reduction in GHG by 2023. To achieve this, we are focused on securing a renewable and reliable energy supply for our manufacturing plants, making these facilities even more efficient, and leveraging data to drive decisions.

We report our Scope 1 and 2 GHG emissions, participate in emissions trading schemes such as the EU European Trading Scheme (EU ETS) and adhere to a number of carbon reduction initiatives in the United States, Europe, Mexico, Canada, and other countries.

Looking to the future, we are focused on driving energy efficiency throughout the manufacturing processes. We're incorporating energy-efficient best practices as we build new offices. Our Research and Engineering and Corktown campuses will achieve an Energy Utilization Intensity that is 50% better than historical Ford office spaces. And in Dearborn, the new Research and Engineering Center under construction is designed to be carbon neutral when it is occupied in 2025. These and other efforts make progress toward achieving our 2035

SBTi target of 76% GHG reduction in combined manufacturing and non-manufacturing locations.

We'll be measuring our progress. Sustainability linked performance metrics align our financing actions with our commitment to operate a safe, sustainable and successful business – elements that are fundamental to the Ford+ Plan for growth and value creation.

→ [Read more about our Sustainable Financing Framework on p.27](#)

Meeting Customer Preferences

Our global fuels migration path and our technology migration plan are based on delivering high-quality vehicles that consumers desire while responding to the risks associated with climate change.

Given the urgency of the climate crisis, we are focusing on electrification, prioritizing all-electric versions of our most iconic models, the Mustang Mach-E, the Ford-F150 Lightning, and the E-Transit commercial van. Our strategy is to make the electric vehicles the most capable vehicles we have embracing a clean-sheet approach to designing, launching and scaling breakthrough, high-volume electric and connected products and services for retail, commercial, and shared mobility.

Electrification of these nameplates is delighting existing customers and bringing new customers to Ford. 70% of our Mustang Mach-E customers are new to Ford. More than 75% of F-150 Lightning reservation holders are new to the Ford brand.⁸

However, we understand that not all of our customers are ready to make the switch to EVs. So we're offering a full range of efficient engine types with plug-in hybrids and "traditional" hybrids filling the spectrum from internal combustion engines to the all-electric Mustang Mach-E. Providing our customers with efficient, low-carbon alternatives during the transition to carbon neutrality is critical as we research and develop alternative powertrains and fuel options for our vehicles.

CASE STUDY →

Modernizing Manufacturing in Thailand

We are modernizing our Thailand manufacturing operations with a \$900 million (THB 28 billion) investment in new technologies and systems, the company's largest-ever single investment in Thailand. Part of the Ford+ Plan for growth and value creation, the investment supports production of the next-gen Ranger pickup truck and Everest SUV.

Ford Thailand Manufacturing and AutoAlliance Thailand are making significant efforts to support environmentally friendly initiatives, including using renewable energy, reducing CO₂ emissions, and practicing zero waste to landfill.

The overall investment brings Ford's manufacturing facilities in Thailand in line with the latest global efficiency, flexibility, and quality processes, through extensive upgrades and new state-of-the-art manufacturing technologies and accompanying training for Ford employees and suppliers.



Climate Change – continued



On the commercial side, our goal is to provide our customers with greater value and higher productivity through the industry's most comprehensive and flexible range of electric and internal combustion commercial vehicles. With Ford Pro, we're incorporating digital and physical services that can help optimize and maintain customer fleets and offering public, depot, and employee home charging of EVs for the next day's work.

We will continue to improve fuel economy and reduce CO₂ emissions across our global vehicle portfolio to minimize the environmental impact associated with their use, while rapidly increasing the sales rate of our electrified vehicles.

Climate Change Reporting

We are committed to transparently reporting our climate change strategies and their resilience. We have received the 2020 CDP ratings and received A ratings for both Water and Climate (our 3rd year in a row as "A" for climate and 7th for water) and have issued climate change scenario reports since 2019. This year we have produced a consolidated report that combines our Climate Change Scenario Report and the Task Force on Climate-related Financial Disclosures (TCFD) Index. The report outlines our strategies, World Energy Outlook 2021 Scenarios, the resiliency of our strategies to those scenarios, and how we will monitor and review the impacts of climate change on our strategies.

→ [Read more in our TCFD Report](#)

→ [Read more in Electrification and Connectivity section on p.45](#)

Carbon-Free Electricity and Energy Future



Energy: Use 100 percent carbon-free electricity in all manufacturing by 2035

Our goal of achieving 100 percent carbon-free electricity in all manufacturing by 2035 will be bolstered by the potential dedicated investments in wind, solar, geothermal, hydropower, and biomass.

We are committed to reducing the effects of our operations and supply chains. In addition to developing world-class facilities, sourcing 100 percent carbon-free electricity for our global operations by 2035 is a key strategy to help us achieve this goal.

Securing Carbon-Free Electricity

To replace fossil-based generation, we'll be procuring a mix of wind, solar power, nuclear, geothermal, biomass, energy storage, and hydro. One strategy is to secure carbon-free electricity through relationships with local utilities, power producers, and independent project developers. And we're already making progress.

All manufacturing facilities in Ohio, New York, and Mexico will be sourced with 100% carbon-free electricity by 2022 year end. All manufacturing and large commercial facilities in Michigan are expected to be sourced with 100% carbon-free electricity by 2025. Not only does this reduce our emissions, but it also improves the local environment and adds resiliency to the local grid.

Sustainability-linked performance metrics include increasing the percentage of renewable electricity consumed in Ford's global manufacturing plants.



Rooftop Solar Array

Also in Michigan, DTE Energy, the state's largest producer of renewable energy has commissioned a new rooftop solar array at a parking garage at Ford Research & Engineering Center in Dearborn, Michigan. The 2,159-panel array includes an integrated battery storage system and will be used to power newly installed electric vehicle (EV) chargers. The solar array can generate 1.127 million kWh of clean energy, avoiding 880 tons of CO₂, which has the environmental benefit equal to the carbon sequestered by nearly 980 acres of U.S. forests in one year.

The new solar array is just one of several steps both companies are taking to reduce carbon emissions. In 2019, Ford became the first corporate customer to

enroll in DTE's MiGreenPower voluntary renewable energy program. Through the program, Ford is purchasing 525,000 megawatt hours annually of Michigan wind energy from DTE's Isabella and Fairbanks wind parks.

Modernizing Plants for Energy Efficiency

We're modernizing plants in South Africa and Thailand with an eye towards energy efficiency. We're also ensuring our new plants are energy efficient. Ford has been in talks with utilities to procure carbon-free energy and hopes to harness geothermal energy to provide both heating and cooling for the facilities.

In Europe, Ford is already using 100 percent carbon-free electricity to power: Dunton and Daventry in the U.K., the Craiova plant in Romania, and all facilities in Cologne, Germany including the vehicle assembly and engine plants, as well as the Research Center in Merkenich. We expect that Europe will be among the first global regions to become carbon neutral.

Jiangling and Changan Ford Hangzhou Plants, China

Ford Joint Venture Jiangling Automobile production plant is currently planning the installation and use of solar panels. The planned 300,000 solar photovoltaic panels are expected to generate 60 million kWh of solar power and reduce carbon emissions by more than 50,000 tons annually.

The Jiangling Plant will join the Changan Ford Hangzhou Plant, which completed the installation of solar photovoltaic panels in 2019. In 2020, the Hangzhou Branch's annual solar power supply reached 13 million kWh, accounting for 25% of the total power consumption of the plant and reducing nearly 10,000 tons of carbon emissions.

Silverton Plant, South Africa

New advanced technologies and systems are being developed at the Ford Silverton Assembly Plant in Pretoria, to support expanded production of the all-new Ranger pickup truck, starting in 2022. Silverton is moving towards energy self-sufficiency and carbon neutrality, while increasing annual installed capacity to 200,000 vehicles for domestic sales and export to 100+ global markets. The first phase of Project BlueOval already is underway with the construction of solar carports for 4,200 vehicles at the Silverton Plant.

Pacheco Plant, Argentina

Our Pacheco plant in Argentina is making strides on environmental responsibility on a variety of fronts. In 2021, it achieved more than 40% of renewable electrical energy consumption and recycled 93% of total waste generated as of November 2021. It is reducing kWh usage in compressed air generation from 36% to 25% and completing energy meter installation in all manufacturing facilities. Lastly, it is creating a native forest comprised of 120 local species to capture carbon emissions.

→ [Read more about our Sustainable Financing Framework on p.27](#)

Air Quality



Air: Attain zero emissions from our vehicles and facilities

We believe that everyone is entitled to breathe clean air. Reducing air pollution is vital to protecting people and the environment — and our efforts to avoid the worst impacts of climate change.

→ [Read more about this Salient Human Rights issue in our Human Rights Report](#)

Through our research and vehicle development, we are working to reduce emissions of hydrocarbons, carbon monoxide, nitrogen oxides, and particulate matter that pollute the air, in accordance with increasingly stringent standards around the world.

Standards Continue to Tighten

Internal combustion engine vehicles (ICEVs) emit hydrocarbons, carbon monoxide, nitrogen oxides, and particulate matter. These pollutants can affect air quality, particularly in urban areas, and potentially impact human health.

Ford is proud to comply with all global criteria emission standards as they are introduced. The enforcement of such standards has led to lower vehicle emissions and, along with actions in sectors beyond transportation (residential, commercial, and industrial), have led to major improvements in air quality in many cities in recent decades. In communities where air pollution and climate change are disproportionate burdens today, access to electric vehicles can help provide health, economic, and



mobility benefits. Ford's electrification strategy not only reduces GHG emissions, but also improves local air quality.

Several countries and states are announcing plans to ban ICEVs or implement 100% zero-emission vehicle (ZEV) sales targets to further improve air quality.

Our Progress in China

All Ford manufacturing facilities in China have taken various measures to significantly reduce emissions. From 2020 to 2021, plants reduced VOC emissions by 19% (3.7g/m²), equivalent to an annual reduction of more than 250 metric tons of VOC emissions through various management and engineering investment measures, contributing to cleaner air.

Regional Emissions Standards

	United States	Europe	China	Other Regions
Already Compliant or Surpassing	<ul style="list-style-type: none"> Environmental Protection Agency (EPA) Tier 2 regulations California's Low Emission Vehicle II (LEV II) program 	<ul style="list-style-type: none"> Euro 6d Real Driving Emissions (RDE) standards 	<ul style="list-style-type: none"> National stage-6a (China-6a) LDV and HDV emissions standards nationwide National stage-6b (China-6b) LDV emission standards in five cities and provinces 	<ul style="list-style-type: none"> India: Bharat Stage VI Brazil and Argentina: PROCONVE L-6 and standards based on Euro 5 Middle East: Standards based on Euro 2, Euro 3, Euro 4 and Euro 5 S. Korea Gasoline vehicle: California LEV III S. Korea Diesel Vehicle: Euro 6d RDE Thailand, Philippines: Euro 4 Vietnam: Euro 5 Cambodia: Euro 4 Australia: Euro 5
Becoming Compliant as Phased In	<ul style="list-style-type: none"> EPA Tier 3 standards California's LEV III standards, closely aligned with the EPA's Tier 3 program 		<ul style="list-style-type: none"> National stage-6b (China-6b) LDV and HDV emissions standards nationwide (July 2023) 	<ul style="list-style-type: none"> Brazil: PROCONVE L7 and L8 Chile: Euro 6b or U.S. Tier 3 Bin 125, Euro 6c or U.S. Tier 3 BIN 70 Peru: Euro 6b, Tier 3 Bin 125 Colombia: Standards based on Euro 6 (diesel) Uruguay: Euro 5 Middle East: standards based from Euro 2 through to Euro 6 Indonesia: Euro 4 Diesel Malaysia: Euro 4 Diesel Singapore: Euro 6d Thailand: Euro 5 Cambodia: Euro 5 Australia: Euro 6d

Water Use and Stewardship



Water: Make zero water withdrawals for manufacturing processes
Use freshwater only for human consumption

Water is fundamental to human existence – and vital to so many aspects of our operations. We have a responsibility to use and manage water sources efficiently and sustainably.

→ [Read more about this Salient Human Rights issue in our Human Rights Report](#)

Our Water Strategy

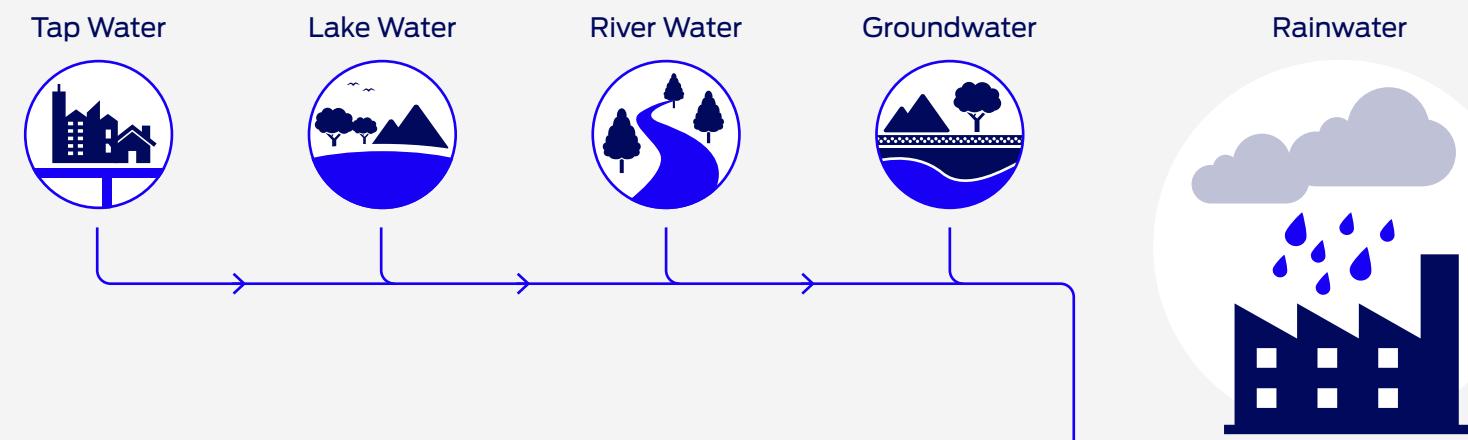
Our long-term approach reflects the need to understand water challenges in their local context, with extraction policies and practices designed to make sure our operations do not adversely affect other users' access to water.

Our 2025 Global Manufacturing Water Strategy, the third iteration of our water strategy, aims to continue Ford's position as a leader in water reduction in manufacturing processes and secure optimal freshwater availability in local communities. It targets a 15% reduction in absolute freshwater usage. Ford has already reduced its annual freshwater consumption by over 78% since 2000; that's over 12.5 billion gallons of water saved compared to 2000 usage. Our global water conservation actions are equal to providing a year's worth of water to 1.4 million homes.

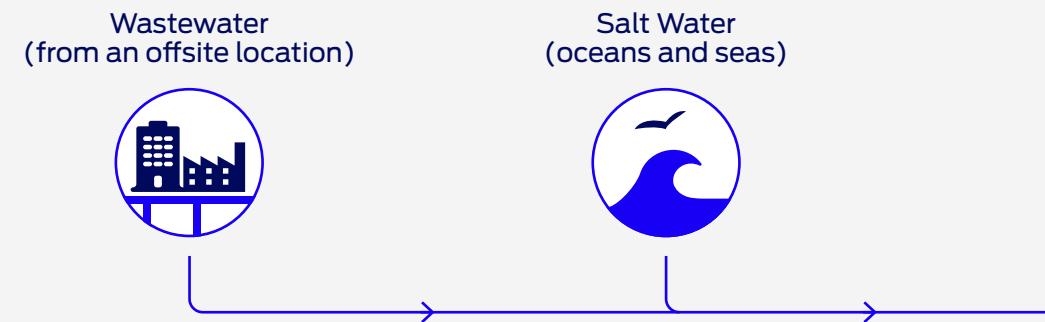
We will continue to work towards our existing aspirational goals of freshwater for human consumption only and zero

Water Use at Our Facilities

Freshwater



Alternative Water



water withdrawals for manufacturing. This includes establishing local ecosystem performance goals and improving water discharge quality, with a focus on direct discharge plants. We are examining how water cycling impacts communities and how to better emulate the natural system.

Our new plant in Tennessee aspires to make zero freshwater withdrawals for assembly processes by incorporating water reuse and recycling systems. Stakeholders responded positively to our goal of preserving water and striving for full water recycling.

What Is Freshwater?

Freshwater, the main source of drinking water around the world, is recognized as essential for human life and wellbeing in Global Reporting Initiative (GRI) Standard 303. The GRI defines freshwater as surface water, but our definition is broader, including both surface water and groundwater.

We are applying freshwater reduction methods as well as improving our water quality discharges at our sites that mimic the behavior and performance of the local ecosystem.

We have made progress toward our aspiration of using freshwater only for human consumption in our facilities that are in water-scarce regions, such as Mexico, China, and South Africa. In 2021, our use of alternative water exceeded 7% in these regions. Additionally Chennai Engine and Assembly have joined our Chihuahua Engine facility in achieving this goal by using zero freshwater for its manufacturing processes.

Water Use and Stewardship – continued

Reducing Operational Water Use

Water use and recycling are occurring at Ford plants around the world. We continue to integrate more water-efficient processes and technologies as we work to further decrease our water consumption.

Absolute water was down nearly 9% from the year prior and down 27% from the 2019 strategy baseline – an almost 78% reduction from the initial 2000 water strategy.*

*Data updated May 23, 2022.

However, these reductions were largely attributed to vehicle manufacturing down time associated with the global microchip shortage.

Our South Africa Silverton Plant has the aspirational goal of being net zero and carbon neutral as well as full water recycling.

Our CDP A List achievements

Ford earned a place on the CDP "A List" for protecting water security again in 2021. We have received an A score rating from CDP for water reduction for seven years in a row and are one of only 119 companies globally to earn such an award for water security. We were also on CDP's Climate Change "A list" for the third straight year. We are one of the two North American OEM to obtain double A List status.



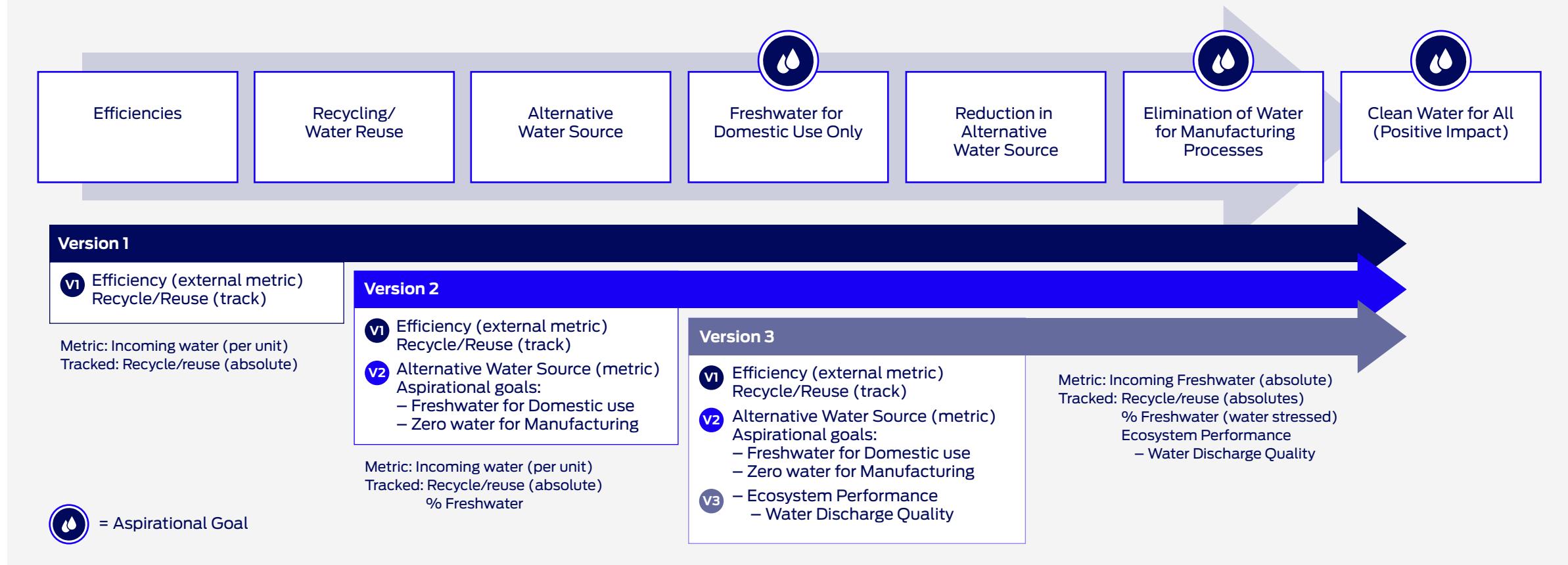
CASE STUDY

Ford India's Drive for Zero Water Consumption

At Ford's Chennai Vehicle Assembly and Engine Plant, freshwater consumption is down to an incredible 1.17 m³ per vehicle – from 7.3 m³ per vehicle only a decade ago. Having identified an alternate source of water to treat, for use in non-production activities, the smart water efficiency processes are used to recycle almost 100% of industrial wastewater for use in manufacturing.

Ford's Sanand Vehicle Assembly & Engine Plant in Gujarat has zero water discharge, with a 110,000 m³ rain water harvesting pond used for pallet washing, irrigation, and in the cooling towers.

Ford's Global Business Technology & Business Center in Chennai (GTBC) can also claim zero discharge, thanks to its 100% reuse of treated wastewater for dual plumbing, horticulture, and cooling tower chiller. Ford GTBC – opened in 2019 – earned its Platinum green building rating at launch; the highest possible certification for sustainable buildings. The globally recognized certificate not only factors in water conservation but also sustainable design, architecture, and building material resources; energy conservation including use of renewable energy resources; indoor environment quality; and innovation and development.

Water Strategy Progression

Waste Management



Waste: Reach true zero waste to landfill across our operations
Eliminate single-use plastics from our operations by 2030

Reducing Waste

Reducing waste reduces our impact on the planet – and optimizes efficiency in our resource-intensive industry. We reuse or recycle any waste we do generate wherever possible, avoiding the landfill and providing us with an additional supply of valuable resources.

Meeting Our Waste Targets

The focus of our global waste strategy is to manage and minimize the waste we generate. We strive to reduce costs and keep waste out of landfill. Our waste targets remained largely unchanged despite COVID-19. We made some operational adjustments based on impacts at site level but our initial glide path remains constant.

In 2021, Ford facilities around the world sent approximately 16,300 metric tons of waste to landfill, 7% less than in 2020.

Over five years from a 2017 baseline, we are targeting a 35% reduction in waste sent to landfill, a 15% reduction in waste generation, and a 25% reduction in general trash. We are developing a strategy to achieve our aspiration of eliminating single-use plastics from our global operations by 2030.

Going for Zero

In addition to our focus on reducing waste to landfill at our facilities, we are focused on minimizing the amount of waste we generate. Beginning in the third quarter of 2021, all Ford manufacturing plants in China achieved zero waste to landfill (ZWTL). Waste generated in all factories will either be managed for thermal destruction with or without energy recovery or recycled instead of being sent to landfills for final disposal. All of our European facilities have acquired ZWTL status, which means they send absolutely no waste to landfill. Globally Ford has 89 ZWTL manufacturing and non-manufacturing sites and 74% of global manufacturing sites are true ZWTL.

To ensure that more of our facilities reach ZWTL status, we continue to implement a range of waste reduction initiatives.

These include:

- Implementing new technologies and programs that minimize waste
- Standardizing the tracking and sorting of waste to increase recycling and reuse
- Focusing on the five main sources of waste to landfill at each facility
- Working with suppliers to increase the use of eco-friendly packaging

Reducing the Impact of Packaging

Packaging is crucial for protecting components on their journey to our facilities. Using standardized containers and materials helps to optimize payloads and lower costs. In many locations, we have agreements with packaging providers so that containers are collected, stored, and forwarded to other suppliers.

Before we launch a new vehicle, we work with suppliers to review how components and production parts will be packaged. Our packaging guidelines for North America and Asia Pacific require our suppliers' packaging to have at least a neutral, if not positive, environmental footprint, achieved through the use of 100% recycled, renewable or recyclable materials.

Reducing End-of-Life Impacts

We proactively review non-dimensional materials such as lubricants and paints within our manufacturing operations. Going beyond applicable regulations, we are developing a timeline to further reduce substances of concern in our facilities, including those that are carcinogenic or environmentally persistent.

→ [Read more in our GRI Index in our ESG Data Book](#)



Packaging that Avoids the Landfill

Packaging for assembly line components used to end up in landfills. Not any more. The team at the Dagenham Engine Plant in the U.K. have been honored for creating the FrameTray system (FTS), injection-molded trays and lids that can be endlessly recycled. The FTS is saving millions of dollars and offers a 50% increase in packing density. It's a cost-effective innovation that's now positively helping other parts of the supply chain – as well as the planet.



35%

reduction in waste sent to landfill target by 2030

→
CASE STUDY

Sustainable Materials



Materials: Utilize only recycled or renewable content in vehicle plastics

Our commitment to using sustainable materials is part of our history, our present – and our future.

Automobiles are among the world's most recycled consumer products. Although many products could be 100% recycled, few are. Over 85%¹⁵ of vehicle parts and materials are actually recycled and reused at their end of life with the vehicle's metallic portion being highly recycled. Rather than focusing on end of life metal recycling which is already a great success, we focus on using recycled and renewable content in plastics and closed loop recycling.

By using recycled and renewable materials in our vehicles' design, we're reducing landfill waste and using fewer natural resources.

Plastic in Vehicles

As the amount of plastic usage in vehicles has grown, we have focused on increasing the sustainability of plastics in our vehicles' design with the goal of using 20% recycled and renewable plastics in new vehicle designs for North America and Europe by 2025 and 10% for China and Turkey. Our aspiration is to utilize only recycled or renewable content in vehicle plastics.

Much of recycled and renewable content comes from waste products generated by other industries. We use the ISO 14021 standard in accounting for this content, and track our progress using the highest volume variant of our nameplates.

Using Recycled Materials for Vehicle Parts

Recycling plastics keeps waste out of landfills and decreases the consumption of natural resources and energy. We transform recycled plastic bottles into carpeting, underbody shields, and wheel liners and use post-consumer nylon and polypropylene carpeting for cylinder head covers, fans and shrouds, cam covers, and carbon canisters.

Teams in the EU are working on our recycled content strategy as well as starting research projects like the Green Factory of Tomorrow, where we are improving operational efficiency and better management of natural resources and waste in our manufacturing process.

Using Renewable Materials for Vehicle Parts

Renewable, plant-based materials also play a role in our sustainability strategy. Ford currently has launched a dozen industry-first, plant-based materials in production vehicles since 2007, establishing a reputation as a leader in this space. These robust materials are often lighter in weight, improving fuel economy. They also sequester carbon during the plants growing phase, reducing global warming impacts, and they require less energy to manufacture. Ford first sustainable materials include soy foam, wheat straw, rice hulls, tree-based cellulose, coconut fiber, and coffee chaff.

For example, soy seat cushions, backs and headrests have been used on every Ford North American built vehicle (over 18.5 million vehicles) for more than a decade. Bio-based foams on Ford vehicles have collectively reduced GHG emissions by over 240 million pounds using over 730 billion soybeans, which also produces extra revenue for U.S. farmers. Soy foam reduces petroleum dependence by over 5 million pounds annually.

Ford was also the first in the industry to launch wheat straw storage bins, rice hull filled electrical wiring covers, and tree-based cellulose composite armrest substrates and console substrates.

Through a partnership with McDonald's USA we have incorporated coffee chaff — the dried skin of the coffee bean — to reinforce headlamp housings.

Our Sustainable and Emerging Materials group continues to pioneer the development of new sustainable plastic materials including algae fiber reinforced plastics and polymer resins made from renewable feed stocks.

We're testing whether the tree-based cellulose composites, that were incorporated into Lincoln Continental consoles, can be used in other applications.

Our partnership with McDonald's and our use of ocean plastics in the Bronco Sport exemplify our approach to the circular economy – deriving value from waste material, or "upcycling." Our goal is to migrate these sustainable materials to other vehicles and applications.

Closing the Loop in Recycling

Ford's approach to the circular economy is not limited to just parts inside the vehicle. Ford is the largest automotive closed-loop aluminum recycler in the world. We worked closely with our aluminum sheet suppliers to create unique alloys just for closed-loop recycling. Our closed-loop system recovers aluminum scrap during parts stamping but keeps the various aluminum alloys separated so they can be recycled back into fresh alloy for new vehicles, which saves 95% of the energy that would be required to create new aluminum from raw ore.

This closed loop recycling system is used to build the F-Series, recovering up to 20 million pounds of high-strength, military-grade, aluminum alloy per month. This is how Ford maximizes aluminum recycling in our plants and minimizes the need for primary metal.



CASE STUDY

Bronco Sport Parts from 100% Ocean-Harvested Plastic is an Industry First

We are adding to our legacy of using sustainable materials in vehicles by being the first automaker to use 100% recycled ocean plastics to produce automotive parts.

Wiring harness clips in Ford Bronco Sport models are made of ocean-harvested plastic from discarded fishing nets. These nets are called "ghost gear" because of the number of marine animals that get trapped in them and the length of time they remain in the ocean wreaking havoc. The strength and durability of the nylon material equals that of previously used petroleum-based parts but at a cost saving, and requires less energy to produce. The ocean plastic is collected by workers in the Indian Ocean and Arabian Sea, promoting healthier marine life and providing jobs.

"This is another example of Ford leading the charge on sustainability," said Jim Buczkowski, vice president of research and Henry Ford technical fellow. "It is a strong example of circular economy, and while these clips are small, they are an important first step in our explorations to use recycled ocean plastics for additional parts in the future."



Always consult the Owner's Manual before off-road driving, know your terrain and trail difficulty, and use appropriate safety gear.

Sustainable Materials – continued

CASE STUDY →

HP Collaboration for Circular Economy Strategy

Ford is continuing to drive the future of automotive 3D printing, this time teaming up with HP to innovatively recycle spent 3D printer powders and parts turning them into injection-molded vehicle parts – an industry first.

The recycled materials are being used to manufacture injection-molded fuel-line clips installed first on Super Duty F-250 trucks. The injection molded parts are better for the environment with no compromise in the durability and quality standards Ford and its customers demand.

They have better chemical and moisture resistance than conventional versions, are lighter and cost less. The Ford research team has identified other fuel-line clips that could benefit from this innovative use of material and are migrating it to future models.

“Finding new ways to work with sustainable materials, reducing waste and leading the development of the circular economy are passions at Ford,” said Debbie Mielewski, Ford technical fellow, Sustainability. “Many companies are finding great uses for 3D printing technologies, but, together with HP, we’re the first to find a high-value application for waste powder that likely would have gone to landfill, transforming it into functional and durable auto parts.”

Life Cycle Assessment (LCA) Research

Our LCA-based studies evaluate potential environmental implications of vehicle raw materials and manufacturing; for example, aluminum production and recycling, recycled polymers, cradle-to-gate impacts of lithium-ion batteries, environmental benefits of using second-life EV batteries, and additive manufacturing.

In the EU, we are preparing for expected regulations related to LCAs.

Recycling Batteries with Redwood

Batteries are at the heart of our electrification strategy. We are collaborating with Redwood Materials to integrate battery recycling into our domestic battery strategy. Redwood’s recycling technology can recover, on average, more than 95% of strategic materials such as nickel, cobalt, lithium, and copper.

These materials can be recycled and remanufactured in a closed-loop where Redwood produces anode copper foil and cathode active materials for future battery production. Using domestically produced battery materials from as much recycled content as available, will help ensure valuable materials in products re-enter the supply chain, reducing our reliance on the existing commodities supply chain and overseas component manufacturing that will be quickly overwhelmed by industry demand.

Longer-term, Ford and Redwood plan to work together on the best approach to collect and disassemble end-of-life batteries from Ford’s electric vehicles for recycling and remanufacturing to help reduce the cost associated with battery components and raw materials to manufacture all-new batteries.

Minimizing Substance of Concern

We also work to minimize substances of concern in our products and facilities. We have developed a list of targeted chemicals compiled from international, authoritative sources and engage suppliers to reduce these substances through process efficiencies, product replacements, or reformulation.

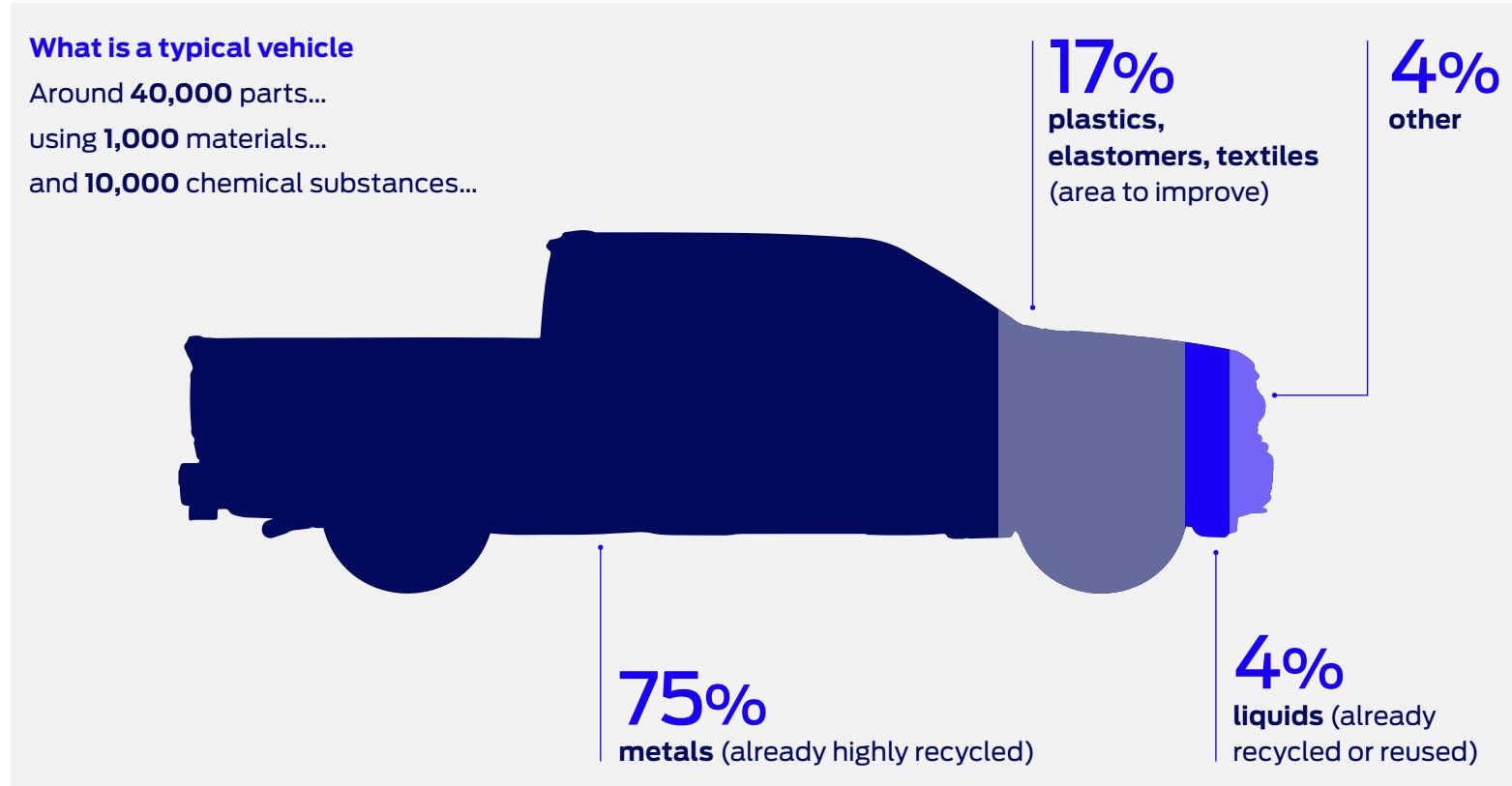
 [Read more in our GRI Index in our ESG Data Book](#)


Our work with Redwood will, by design, help ensure the infrastructure is in place to cost-effectively recycle end-of-life Ford batteries to create a robust domestic materials stream and drive down the cost of electric vehicles.”

Lisa Drake, Vice President,
EV Industrialization – Ford Model e

What is a typical vehicle

Around 40,000 parts...
using 1,000 materials...
and 10,000 chemical substances...



Building Value Together

Creating Responsible and Ethical Growth



“

At Ford, we are proud of being a trusted company, known for acting with integrity. Last year, we modernized and simplified Ford's Code of Conduct to build upon this trust and increase transparency around what it means to work at or with Ford. We've made understanding and demonstrating our values easier than ever before.”

Beth Rose,
Chief Compliance, Ethics and Integrity Officer



Overview

With our capacity to adapt to change, our business can meet new challenges and goals, not only to create value for our stakeholders, but to do so ethically – to maintain our long-term viability and accountability as a trusted international business partner leading the next revolution in transportation under the Ford+ umbrella.

Through our electrification, mobility, connectivity, and sustainability strategies, we are transitioning to a model that emphasizes services, relationships, renewable resources, and human and social capital.

Creating value responsibly and ethically – building trust in all we do – spurs this transformation, helping us drive progress and make positive impacts to meet the collective challenges the world faces across a range of sustainability issues.

In fact, we are actively working to build a better world, with fewer obstacles and limits, so that everyone has the opportunity to pursue their dreams. We know that trust earned with global stakeholders will be our most important asset in dealing with the critical issues covered in this report, including transparency and ethics, global data analytics, privacy and protection, government regulations and policy, and corporate governance and engagement.



Transparency, Ethics and Integrity

Ethics and integrity are a big part of who we are as a company. We always keep ethics and compliance at the heart of our business practices, as we believe that trust in our brand is earned by acting with honesty, expertise, and care.

That's why we strive to provide clear policies, effective communication, and engaging training to make it easy for our people to do the right thing and comply with existing laws, regulations, and policies.

These efforts indicate how important transparency is to Ford – a key part of our culture that starts at the top and permeates throughout the organization.

Serving Others with Integrity and Competence

A company known for integrity is an invaluable quality that takes years and decades to secure and reinforce. That's why our Corporate Compliance, Ethics and Integrity Office provides training and communication tools to help our people comply with legal obligations and policies that maintain the highest levels of integrity.

Upholding High Standards of Ethical Conduct and Communicating Openly

In unpredictable times, especially during such challenges as a global pandemic and supply shortages, Ford strives to maintain open channels in communicating with all of our stakeholders, with no surprises. For example, Ford's Chief Executive Officer Jim Farley uses his Twitter and LinkedIn accounts to disseminate information. And, we now report monthly on vehicle production, dealer inventory, and retail sales instead of the quarterly reporting done by others in the industry. This transparency has been helpful to our investors during the worldwide semiconductor shortage.

Updating our Code of Conduct

Employee Code of Conduct

Ford is recognized around the world as a leader in corporate ethics and social responsibility, an accomplishment we are proud of and never take for granted. Ethical behavior begins with treating all members of our extended family of employees, suppliers, and customers with fairness and respect. It is more than compliance with the law. Our values support the cultivation of an environment that is physically and emotionally safe for all, where our differences are truly valued, and where everyone can bring their whole selves to work.

The Code of Conduct helps Ford employees, suppliers, and customers around the world understand and embrace what we believe in and how we conduct our business, including our aspiration of becoming the world's most trusted company. It covers areas related to human rights, the environment, and lawful business practices. It is publicly accessible and available in 12 languages.

In 2021, we updated our [Code of Conduct](#) to make it more accessible – it's now on our website and in interactive digital formats for the general public as well as employees; it's easier to understand and follow – it went from summarizing our 69 policies to clearly demonstrating 17 commitments (policies), including Ford's [We Are Committed to Protecting Human Rights and the Environment policy](#). And it's written in more simplified language to increase transparency about what it means to work at and do business with Ford.

→ [Read more in our Code of Conduct](#)

Ethical behavior begins with treating all members of our extended family of employees, suppliers and customers with fairness and respect.



Transparency, Ethics and Integrity – continued

Supplier Code of Conduct

As we increasingly turn our attention not just to the emissions of the vehicles we build but also to the environmental and human rights impacts of making them, we have taken a big step by strengthening the code of conduct that we expect our suppliers to follow. With hundreds of companies involved in building Ford vehicles, supplying everything from fasteners to software, our new [Supplier Code of Conduct](#) applies not only to the company's Tier 1 suppliers, but to their suppliers as well. It is available in eight languages, accessible to everyone.

Our Supplier Code of Conduct mandates that our suppliers maintain responsible business practices:

- Conducting business free from bribery and corruption
- Maintaining effective privacy and cyber-security practices
- Complying with applicable trade and customs rules.

Suppliers are also required to protect and respect human rights, protect the environment and responsibly source materials.

→ [Read more in our Supplier Code of Conduct](#)

Anti-Bribery and Anti-Corruption

Our many facilities around the world need to comply with a wide range of national laws and governmental enforcement practices with regard to bribery and corruption. We maintain the highest standards wherever we operate and do not allow bribery or corruption, even when it may be tolerated or condoned.

Compliance Training

These expectations are reinforced in mandatory online training courses for all Ford salaried full-time, part-time and agency workers, including an annual Code of Conduct course. These courses are periodically refreshed and reviewed to ensure the content remains relevant and appropriate.



Reporting Violations

Our compliance program facilitates the confidential reporting of known or potential violations of the law or of our policies. Our people can report violations directly to Human Resources or the Compliance, Ethics and Integrity Office as well as the Office of the General Counsel or the General Auditors' Office. Violations can also be reported using the SpeakUp reporting mechanism, telephone hotlines, websites, or email, some of which allow for anonymous reporting. External stakeholders may report by emailing SpeakUp@ford.com.

Allegations are reviewed by a cross-functional committee, which oversees any investigations and subsequent corrective or disciplinary action.

→ [Read more about our Grievance Mechanisms and Remedy in our Human Rights Report](#)

With hundreds of companies involved in building Ford vehicles, supplying everything from fasteners to software, our new supplier code of conduct applies not just to the company's Tier 1 suppliers, but to their partners as well.

Data Protection, Privacy and Security

We take our responsibilities concerning data protection, privacy, and security seriously. The information that customers provide through connected systems helps us deliver great products, a personalized experience, continued innovation, and the opportunity to deploy new business models.



Our company wide governance infrastructure is driven by a holistic approach that includes policies focused on transparency, responsible data handling and use, and consent, where appropriate.

Data Privacy and Cybersecurity

As we continue to develop and produce vehicles with increased connectivity, the scope and severity of risks presented by cyber threats to vehicle operating and security systems have increased dramatically, requiring constant vigilance to protect against intrusions and potential disruptions. We take cyber threats very seriously and regularly audit our cybersecurity capabilities.

To support and strengthen our global data privacy initiatives, we have adopted the Automotive Consumer Privacy Protection Principles developed by the Alliance for Automotive Innovation. We are actively engaged with the Automotive Cybersecurity Industry Consortium (ACIC), a collaboration formed by the auto industry, research organizations, and government to strengthen cybersecurity in the automotive sector. The ACIC researches, develops, evaluates, and improves cybersecurity by addressing critical infrastructure needs in automotive systems. We are also a founding member of the Information Sharing and Analysis Center (Auto-ISAC), which gathers, analyzes, and shares information to combat cyber-related threats and weaknesses.

In 2021, Ford hired Rebecca Pagani as our first Chief Privacy Officer, demonstrating our commitment to protecting customer and company data.

We also maintain an industry-leading cybersecurity insurance program with many of the world's largest and most respected insurance companies.

Data Insight and Analytics

Harnessing the data provided by connected vehicles and using it to create even better experiences continues to be a key priority as vehicle connectivity becomes more prevalent. Our 1,615-strong Global Data, Insight and Analytics (GDI&A) team uses data science and analytics – including the power of AI and machine learning (ML) – as the foundation of our innovations. This effort helps us understand and anticipate consumer behavior and accelerates the development of the mobility, electrification, connectivity, and self-driving solutions that will improve people's lives.

Always acting with privacy in mind, we use analytics in research, product development, manufacturing, supply chain, marketing and sales, finance, purchasing, information technology, and human resources functions. Led by GDI&A, we're also using artificial intelligence (AI) to enhance our vehicles and services, improve our product development and manufacturing processes, and deliver enhancements across the business. We are also in the process of developing an internal and external policy strategy for the use of AI to help us address a range of issues – including ensuring we keep bias out of our AI applications and improving customer experience in all interactions with Ford.

Government Regulations, Policy and Engagement

Governments around the world make decisions on a variety of important policy issues that have an impact on Ford's businesses. As a global company, it is critical that Ford has a voice to help inform the policies affecting our employees, customers, and shareholders. We believe strong engagement with government plays a key role in shaping the regulations and legislation that govern our business.

That's why the company participates openly and transparently in the political process to support local, state, national, and international policies that are economically, environmentally, and socially sustainable for our company, our customers, and their communities. This activity includes working with the United States Congress and the White House, as well as governments globally, on issues such as a consistent policy toward electrification in all markets, an EV charging infrastructure, the semiconductor chip shortage, battery recycling policies, an effective carbon tax, and opening up the supply of minerals to achieve our business, environmental, and employment objectives.

- As individual citizens, all employees are encouraged to participate in political and governmental affairs. Company efforts and programs to encourage employee participation must respect fully the rights of employees to use personal time as they choose and to decide the extent and direction of their political activities.
- Ford's management team is expected to keep informed on governmental matters affecting the company's interests and, where appropriate, to participate in the formulation and presentation of company positions on relevant public issues. They also are expected to do their part in fulfilling Ford's responsibilities as a corporate citizen, including participation in constructive governmental activities on behalf of the company.

- Ford does not make contributions to political candidates or political organizations nor otherwise employ its resources for the purpose of helping to elect candidates to public office, even when permitted by law, nor does it take a position for partisan political purposes, that is, specifically for the purpose of advancing the interest of a political party or candidate for public office. However, with the approval of the Office of the Chief Executive, contributions may be made to support or oppose a state or local ballot proposal if such contributions are permitted by law and if the issue is of significant interest or importance to Ford. Contributions not earmarked for particular candidates or political organizations are distributed at the discretion of the Ford's Political Contributions Committee.

In 2021, Ford hired Steven Croley as our first Chief Policy Officer. Croley guides the company as it further leverages and builds on its strengths in government relations, sustainability, safety, legal and privacy.

Trade Associations and Memberships Focusing on U.S. Policy Issues

To use our resources effectively on key issues, we work with a broad range of coalitions, industry groups, and trade associations where we operate. This helps us exchange ideas and collaborate to develop and promote sensible policies that benefit our company, our industry, and society. These organizations often bring diverse viewpoints to the debate, and sometimes their views are

not shared by Ford. At times we have exercised our right to make our own position clear and have taken an alternative path when it has been necessary.

Climate Change

We believe there is strength and value in using memberships in our trade associations and coalitions to move these organizations toward positions more aligned with Ford's views on climate. This helps us develop and promote policies that benefit our customers, company, industry, and society.

We will continue to make decisions based on what's best for our customers, our environment, and our business. As a member of these groups, we work to make our position known and collaborate with others.

The California Settlement Agreement is a recent example of Ford's leadership on climate change. Ford led the industry in aligning towards a fuel economy/GHG proposal with the California Air Resources Board, creating a 50-state solution that is consistent with our common vision for GHG reduction. As a result of these efforts, Ford has not supported federal litigation against California's authority to set more stringent rules under the Clean Air Act, instead advocating within the industry for a solution that recognizes the authority of both the federal government and California in shaping future climate policy.

 [Read more in our 2021 U.S. Political Engagement Report](#)

By participating actively, we can shape policy and drive the industry to change, as we are doing – for example, to encourage groups to align with our progressive climate change strategy.

Ford supports a broad range of trade associations and coalitions to enhance our understanding of, and advocacy for, U.S. policy issues. These include:

- 5G Automotive Association (5GAA)
- American Automotive Policy Council (AAPC)
- Alliance for Automotive Innovation
- CEO Climate Dialogue (CCD)
- Climate Leadership Coalition
- Engine Manufacturers Association
- Intelligent Transportation Society of America (ITSA)
- National Association of Manufacturers (NAM)
- National Safety Council
- NGVAmerica
- Partnership for Transportation Innovation Opportunity (PTIO)
- Self-Driving Car Coalition
- U.S. Chamber of Commerce

Accountable and Inclusive Governance

We need sound governance structures and policies to manage our business, drive performance, and create value responsibly and ethically. These processes and systems serve as the foundation for delivering on our sustainability strategy and integrating sustainability issues into our business decisions.

While maintaining a successful business, we also want our operations and activities to have a positive impact on the world. Our integrated governance systems and processes – including efforts to keep our business lean and agile by reducing bureaucracy, building skills, and adopting efficient ways of working – help us build sustainability across our company and capitalize on new opportunities in the future.

Our Board of Directors is guided by our Corporate Governance Principles, our Code of Business Conduct and Ethics for the Board of Directors, and charters for each Board committee.

 [Read more about corporate governance in our most recent Proxy Statement](#)

Ford's Board of Directors has adopted its own Code of Business Conduct and Ethics, which is intended to focus the Board and each director on areas of ethical risk, provide guidance to help directors recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. Each director must comply with the letter and spirit of this code.

While no code or policy can anticipate every situation that may arise, this one is intended to serve as a source of guiding principles and practices for directors to promote the Board's effective functioning and to maintain the trust of our stakeholders.

 [Read more about the Governance & Policies on our corporate website](#)

Governance Principles and Practices

Solid principles and practices of corporate governance are essential to maintaining the trust of investors. Ford's Board of Directors has adopted corporate governance principles, policies, and practices to promote effective functioning of the Board, its committees, and the company as a whole.

Corporate Governance Principles – Together with the charters of the Audit Committee, the Compensation, Talent and Culture Committee, the Sustainability, Innovation and Policy Committee, the Finance Committee and the Nominating and Governance Committee, our Corporate Governance Principles provide the framework for the governance of Ford Motor Company. Our Board of Directors reviews these principles and other aspects of our governance annually or, more often, as deemed necessary or appropriate. The Board is elected by and responsible to Ford's shareholders. Ford's business is conducted by its employees, managers, and officers, under the direction of the Chief Executive Officer (CEO) and oversight of the Board, to enhance the long-term value of the company for its shareholders. The Board of Directors monitors the performance of the CEO and senior management to assure that the long-term interests of the shareholders are being served.

For additional information on the unique qualifications and demographic backgrounds of our Board members, refer to the Director Skills and Diversity Matrix and director biographies included in our most recent [Proxy Statement](#).

Board of Directors composition

Board committees

AAudit
Committee**C**Compensation,
Talent
and Culture
Committee**F**Finance
Committee**N**Nominating
and Governance
Committee**S**Sustainability,
Innovation and
Policy
Committee

 = Chair

Board members



Kimberly A.
Casiano:

A **N** **S**



Jon M.
Huntsman, Jr.:

S



Anthony
F. Earley, Jr.:

C **N** **S**



William E.
Kennard:

F **N** **S**



James D.
Farley, Jr.:

C **N** **F**



John C.
May:

C **N** **F**



William Clay
Ford, Jr.:

F **S**



Beth E.
Mooney:

A **N**



William W.
Helman IV:

F **N** **S**



John L.
Thornton:

C **F** **N**



John B.
Veihmeyer:

A **N**



Lynn Vojvodich
Radakovich:

C **N** **S**



John S.
Weinberg:

C **F** **N** **S**



Alexandra Ford
English:

F **S**



Henry
Ford III:

F **S**

Accountable and Inclusive Governance – continued

Changes to the Board in 2021

New directors:

Alexandra Ford English (effective May 13, 2021)

Henry Ford III (effective May 13, 2021)

John C. May (effective December 9, 2021)

Departed directors:

Edsel B. Ford II did not stand for re-election at the 2021 Annual Meeting due to having reached the Board's mandatory retirement age.

John C. Lechleiter did not stand for re-election at the 2021 Annual Meeting due to personal reasons.

→ [Read more about our Board of Directors on our website](#)

Corporate Governance Practices – Ford has a long history of operating under sound corporate governance practices, a critical element of creating the world's most trusted company. These practices include:

- Annual Election of All Directors
- Majority Vote Standard: Each director must be elected by a majority of votes cast
- Independent Board: The majority of our directors are independent
- Lead Independent Director: Ensures management is adequately addressing the matters identified by the Board
- Independent Board Committees: Each of the Audit, Compensation, Talent and Culture, and Nominating and Governance Committees is made up entirely of independent directors
- Committee Charters: Each standing committee operates under a written charter that has been approved by the Board and is reviewed annually

- Independent Directors Meet Regularly Without Management and Non-Independent Directors
- Regular Board and Committee Self- Evaluation Process: The Board and each committee evaluates its performance each year
- Mandatory Deferral of Compensation for Directors: In 2021, approximately 68% of annual director fees were mandatorily deferred into Ford restricted stock units, which strongly links the interests of the Board with those of shareholders
- Separate Chair of the Board and CEO: The Board of Directors has chosen to separate the roles of CEO and Chair of the Board of Directors
- Confidential Voting at Annual Meeting
- Special Meetings: Shareholders have the right to call a special meeting
- Shareholders May Take Action by Written Consent
- Strong Codes of Ethics: Ford is committed to operating its business with the highest level of integrity. It has adopted codes of ethics that apply to all directors and senior financial personnel, and a code of conduct that applies to all employees
- Hedging and Pledging Policies: Officers are prohibited from hedging their exposure to, and limited in pledging, Ford common stock

Directors' Remuneration

Effective as of January 1, 2017, the Board of Directors agreed that the following compensation will be paid to non-employee directors of the company:

- Annual Board membership fee: \$315,000
- Annual Lead Independent Director fee: \$50,000
- Annual Audit Committee chair fee: \$30,000
- Annual Compensation, Talent and Culture Committee chair fee: \$25,000
- Annual other Committee chair fees: \$20,000

Approximately 68% of the Annual Board membership fee is paid in Restricted Stock Units (RSUs), and certain directors choose to receive all or a portion of their fees, in addition to the mandatory portion, in RSUs.

→ [Read more in the director compensation table in our most recent Proxy Statement](#)

Sustainability Governance



Sustainability

Mobility
Finance
Ford Land
Research & Innovation
Global Data Analytics & Insights
Diversity, Equity & Inclusion
People Matters

Communications
Purchasing
Treasury
Investor Relations
Marketing
General Counsel
Environmental
Quality

Global Manufacturing
Product Design & Development
Automotive Safety
Human Resources
Team Edison
Ford Credit
Ford Fund

Accountable and Inclusive Governance – continued

Sustainability Governance

We employ a variety of governance systems and processes to manage different aspects of sustainability across our business, as summarized throughout this report.

The newly named Sustainability, Innovation and Policy Committee, formerly the Sustainability and Innovation Committee, is responsible for reviewing and advising Ford's pursuit of innovative policies and technologies that promote product safety, improve environmental and social sustainability, including human rights, working conditions, and responsible sourcing. The committee's focus reflects Ford's increased emphasis on policy relating to all aspects of our business to achieve our sustainable goals and innovation pursuits.

The Compensation Committee was renamed the Compensation, Talent and Culture Committee in 2021, reflecting its expanded responsibilities regarding key people-related business strategies, including leadership succession planning; culture; diversity, equity, and inclusion; and talent development programs.

Management Processes

As outlined below, we have a number of management processes, systems, committees, and groups in place that are designed to help us improve our sustainability performance, act responsibly and ethically, and take responsibility for the impact our activities have on society and the world around us.

Board's Role in Risk Management

The oversight responsibility of the Board and its committees is supported by Company management and the risk management processes that are currently in place. Ford has extensive and effective risk management processes, relating specifically to compliance, reporting, operating, and strategic risks. These include:

- Compliance Risk encompasses matters such as legal and regulatory compliance (e.g., Foreign Corrupt Practices Act, environmental, OSHA/safety, etc.).
- Reporting Risk covers Sarbanes-Oxley compliance, disclosure controls and procedures, and accounting compliance.
- Operating Risk addresses the myriad of matters related to the operation of a complex company such as Ford (e.g., quality, supply chain, sales and service, financing and liquidity, product development and engineering, labor, etc.).
- Strategic Risk encompasses somewhat broader and longer-term matters, including, but not limited to, technology development, environmental and social sustainability, capital allocation, management development, retention and compensation, competitive developments, and geopolitical developments.

We believe that key success factors in the risk management at Ford include a strong risk analysis tone set by the Board and senior management, which is shown through their commitment to effective top-down and bottom-up communication (including communication between management and the Board and Committees), and active cross-functional participation among the Business Units and Functional Skill Teams.

We have institutionalized a regular Forecast, Controls and Risk Review and Special Attention Review process where the senior leadership of the Company reviews the status of the business, the risks, and opportunities presented to the business (in the areas of compliance, reporting, operating, and strategic risks), and develops specific plans to address those risks and opportunities.

The Enterprise Risk Management process adopted by the Company identifies the top critical enterprise risks identified through a survey process of senior management and the Board of Directors. Once identified, each of the top risks is assigned an executive risk owner

Management Processes

Board Committees

Sustainability, Innovation and Policy Committee

- Meets at least three times a year
- Primary responsibility for assessing the company's progress on strategic economic, product safety, environmental and social issues, as well as the degree to which sustainability principles have been integrated into the various skill teams
- Evaluates and advises on innovations and technologies that improve our economic, product safety, environmental and social sustainability, enrich our customers' experiences, increase shareholder value, and improve people's lives
- Reviews the Integrated Sustainability and Financial Report summary as well as any Company initiatives related to sustainability and innovation

→ [Read the Charter of the Sustainability, Innovation and Policy Committee](#)

Other Board committees: Audit, Compensation, Talent and Culture, Nominating and Governance, and Finance

Executive Management

Vice President, Chief Sustainability, Environment and Safety Officer

- Primary responsibility for sustainability issues
- Oversees the Sustainability and Vehicle Environmental Matters group, the Environmental Quality Office, the Vehicle Homologation and Compliance group and the Automotive Safety Office
- Leads a multi-disciplinary executive-level team that oversees actions in response to our sustainability strategies and integration and issues related to our We Are Committed to Human Rights and the Environment Policy

Other executive and group vice presidents across our functional areas also have responsibility for sustainability-related issues. These include our Chief People and Employee Experiences Officer and our Chief Diversity Officer.

Function Areas

Sustainability and Vehicle Environmental Matters

- Coordinates our company wide sustainability strategy and activities
- Leads our sustainability reporting and stakeholder engagement
- Collaborates with other functional areas and skill teams to integrate sustainability throughout the company

Oversight of Risk Management

Ford Board Oversight

Compliance and Reporting

Audit Committee

Operating and Strategic

Sustainability, Innovation and Policy Committee
Compensation, Talent and Culture Committee
Finance Committee
Audit Committee

Ford Management Day to Day

Compliance Reviews
Sarbanes-Oxley Compliance
Internal Controls
Disclosure Committee

Business Units and Skill Teams
Forecast, Controls and Risk Review
Special Attention Review
Product, Strategy and People Forums

Accountable and Inclusive Governance – continued

who is responsible to oversee risk assessment, develop mitigation plans, and provide regular updates. The Enterprise Risk Management process also engages Business Units and Skill Teams to determine which of the enterprise risks are most relevant to their specific objectives, and identify any additional risks that can be managed at a lower level in the organization. Risks at all levels are shared and aligned for a top-down and bottom-up view and management of risk. The Audit Committee and Board annually review the process to update the list of critical risks and monitor risk movement and emerging trends.

As noted above, the full Board of Directors has overall responsibility for the oversight of risk management at Ford and oversees operating risk management with reviews at each of its regular Board meetings. The Board of Directors has delegated responsibility for the oversight of specific areas of risk management to certain committees of the Board, with each Board committee reporting to the full Board following each committee meeting. The Audit Committee assists the Board of Directors in overseeing compliance and reporting risk. The Sustainability, Innovation and Policy Committee assists the Board of Directors in overseeing environmental and social sustainability risks, while the Compensation, Talent and Culture Committee assists the Board of Directors in overseeing risks related to compensation and people-related business strategies, including leadership succession and culture, diversity, and inclusion. The Board and the appropriate committees also periodically review other policies related to personnel matters, including those related to sexual harassment and anti-retaliation policies related to whistleblowers. The Board, the Sustainability, Innovation and Policy Committee, the Compensation, Talent and Culture Committee, the Finance Committee, and the Audit Committee all play a role in overseeing operating and strategic risk management.

The scope and severity of risks presented by cyber threats have increased dramatically, and constant vigilance is required to protect against intrusions. We take cyber threats very seriously and regularly audit our cyber security capabilities. These audits are a useful tool for ensuring that we maintain a robust cyber security program to protect our investors, customers, employees, and intellectual property. The Audit Committee receives updates several times per year from the Chief Information Security Officer regarding technology and cyber security risk and conducts regular reviews of our cyber security practices, with report outs to the Board as appropriate. As part of its risk assessment procedures, the Board reviews relevant cyber security and information technology matters at least twice annually.

We also maintain an industry-leading cyber security insurance program with many of the world's largest and most respected insurance companies. Additionally, we are a founding member of the Board of the Automotive Information Sharing and Analysis Center. Our current seat on that board ensures that we preserve relationships that help to protect ourselves against both enterprise and in-vehicle security risks.

- [Read more about our Board committees in our most recent Proxy Statement](#)
- [Charter of the Audit Committee](#)
- [Charter of the Compensation, Talent and Culture Committee](#)
- [Charter of the Finance Committee](#)
- [Charter of the Nominating and Governance Committee](#)
- [Charter of the Sustainability, Innovation and Policy Committee](#)

Reporting Scope, Boundaries and Data Assurance

Reporting Scope and Boundaries

Consistent with GRI guidance on boundary setting, the data in this report covers all of Ford Motor Company's wholly and majority-owned operations globally, unless otherwise noted, and spans 2021 operations and vehicles. Boundaries for each material issue are noted in our GRI Content Index.

Where relevant, data measurement techniques, the bases of calculations, and changes in the basis for reporting or reclassifications of previously reported data are included as footnotes.

For this report, we have followed the International <IR> Framework of the International Integrated Reporting Council (IIRC) to provide a cohesive and comprehensive approach to our corporate reporting. However, we remain flexible and open to new approaches as the dynamic reporting environment continues to evolve.

Data Assurance

Data in this report is subject to various forms of assurance, as outlined below and noted in the data tables. The summary report has been reviewed by Ford's top senior executives, as well as the Sustainability, Innovation and Policy Committee of the Board of Directors.

Some of the data in our reports has been subject to internal and third-party verification.

The consolidated financial statements in our Form 10-K have been audited by our independent registered public accounting firm.

Ford's 2021 GHG inventory (including Scope 1, 2 and 3) is third-party verified by an organization with a Certification of Accreditation to ISO 14065:2013 by the ANSI National Accreditation Board and will become available at a later date. In addition, some manufacturing operations, as required by regulation, are also third-party verified following the respective regulatory requirements, such as EU-ETS. Find out more about EU-ETS in our CDP Climate Response, section 11.1.

Ford reports facility carbon dioxide equivalent (CO₂e) emissions to national emissions registries or other authorities in the U.S., Canada, Mexico, South Africa, China, Germany, Spain, and the U.K.

Various environmental data is reported to regulatory authorities. Ford's facility environmental data is managed using our Global Emissions Manager database and an internally developed strategies management tool, which provides a globally consistent approach to measurement and monitoring. The kind of assurance used for each data set is noted in the data charts.

Disclaimers

1. These targets have been approved by the Science Based Target initiative.
2. FordPass and Lincoln Way, compatible with select smartphone platforms, is available via a download. Message and data rates may apply.
3. Based on original equipment manufacturers (OEM)/automotive manufacturers that sell all-electric vehicles and have active charging networks. Department of Energy data used.
4. Based on 1977-2021 CY total sales.
5. Based on IHS Markit New Registrations data CY2014-CYE 2020, which is compiled from government and other sources and captures 95% of global new vehicle volumes in more than 80 countries as reported in February 2021. Transit family-based volumes of vans, wagons, chassis cabs, and cutaways include Ford Transit, Transit Custom, Transit Classic, and Transit Kombi. Excludes Transit Connect and Transit Courier.
6. Based on manufacturer testing using computer engineering simulations. Calculated via peak performance of the electric motor(s) at peak battery power. Your results may vary.
7. Targeted performance reflects current status based on analytical projections consistent with U.S. Automotive publication processes. Final performance times will be available in the 2022 calendar year.
8. As of Jan 4, 2022.
9. Ford test data based on typical industry methodology using 1-ft rollout. Your results may vary.
10. Based on an analysis of more than 30 million miles of telematics data.
11. Cargo Van low-roof models.
12. Scheduled maintenance costs for the E-Transit are estimated to be 40% lower than those of a gas-powered 2020 Transit.
13. Like saws, drills, and jackhammers.
14. Based on the total U.S. reported sales (1979-2021CY). Includes Ford E-Series, formerly called Econoline, van and chassis; Club Wagon; Transit Connect cargo van and passenger wagon; Transit cargo van, passenger van and chassis.
15. For North America and the EU.
16. Additional plants that support our Automotive segment are operated by unconsolidated joint ventures of which we are a partner. See 10-K for more information.
17. See Form 10-K, pages 75 – 78 for definitions and reconciliations to GAAP (U.S. Generally Accepted Accounting Principles).
18. When home is properly equipped and home transfer switch disconnects home from the grid. Based on 30 kWh use per day using the F-150 Lightning with the extended-range battery. Your results may vary depending on energy usage. Rationing power assumes limiting the number of devices and turning the truck off when not needed.
19. Middle management and above.
20. Actual data through November 2021, forecast data for December 2021.
21. Feature availability varies by model.
22. Driver-assist features are supplemental and do not replace the driver's attention, judgment, and need to control the vehicle. Ford BlueCruise is a hands-free highway driving feature. Only remove hands from the steering wheel when in a Hands-Free Blue Zone. Always watch the road and be prepared to resume control of the vehicle. It does not replace safe driving. See Owner's Manual for detail and limitations. Requires purchased 3-year connected service plan with regular map updates, FordPass App, and modem activation.
23. Not to be used as an official load weight scale.



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