



Overview

In this section:

- Executive letters
- Data overview
- Summary of commitments and targets

OVERVIEW

Letter from William Clay Ford, Jr.
Letter from Alan Mulally
Letter from Sue Cischke
Performance Summary
Ford Goals, Commitments and Status
Assurance

This is the tenth annual nonfinancial report of Ford Motor Company. Our vision for our sustainability reporting is that it is the basis of organizational learning. It demonstrates our values, and both reflects and drives outstanding economic, environmental and social performance. Our most recent previous report was released in June of 2008.

In all of our reports, we have tried to focus on Ford's most important sustainability issues and those of most interest to report users and our stakeholders. We have formalized this approach through a structured [materiality analysis](#), which has been used to identify our most material sustainability issues. The issues that rated highest in potential impact on the Company and concern to stakeholders are covered in the [Material Issues](#) section of this Web report.

Comprehensive information on a range of other significant issues is included in this report in the [Governance](#), [Economy](#), [Environment](#) and [Society](#) sections. We are also publishing an eight-page summary of this report for use by employees, customers and other stakeholders. Data in the report are subject to various forms of assurance. Draft and near-final versions of the print report were reviewed by a [Ceres stakeholder committee](#) that included representatives of environmental groups and socially responsible investors.

We see reporting as an ongoing, evolving process, not an annual exercise. Further information about our reporting approach can be found in the [Reporting and Transparency](#) section of this report. We expect our reporting to evolve further and invite your feedback on this report, and our approach to reporting, at sustaina@ford.com.

In This Section

This section of our Web report includes our [Chairman's](#) and our [CEO's](#) perspectives on sustainability at Ford, a summary of [2008 performance data](#) and discussion of [assurance](#) of this report.

The Fine Print

This report covers the year 2008 and early 2009. The data are primarily for 2008 (for operations) and for the 2008 and 2009 model years (for vehicles).

This report is aligned with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines, released in October 2006, at a self-declared application level of "A." See the [GRI Index](#) for a complete index of GRI indicators. More information on the GRI and the application levels can be found at the [GRI Web site](#).

Consistent with the GRI Guidelines' guidance on boundary setting, the data in this report cover all of Ford Motor Company's wholly and majority-owned operations globally, unless otherwise noted. Data measurement techniques, the bases of calculations, changes in the basis for reporting or reclassifications of data previously reported are noted below and in the data charts. Jaguar and Land Rover, which had been wholly owned Ford subsidiaries, were sold during 2008. Data for the current and previous years have been adjusted to remove these brands.

This report also serves as Ford's annual United Nations Global Compact (UNGC) "Communication on Progress," providing discussion on Ford's implementation of the 10 principles of the UN Global Compact and support for broad UN development goals. Please see the [UNGC index](#) for information on where the UNGC principles are covered in this report.

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Letter from William Clay Ford, Jr.

OVERVIEW

▶ Letter from William Clay Ford, Jr.

Letter from Alan Mulally

Letter from Sue Cischke

Performance Summary

Ford Goals, Commitments and Status

Assurance



"Our economic and environmental goals are aligned. In fact, we believe that the best way for us to be more profitable is to make our business and products more sustainable."

William Clay Ford, Jr.
Executive Chairman and Chairman of the Board

In 2009, I will mark my 10th year as Chairman of Ford Motor Company, and we will celebrate the 10th anniversary of our first sustainability report. The confluence of these two milestones is no coincidence – I have been an environmentalist all of my life and have long believed that sustainability is the most important business issue of our time.

Through the years, this report has helped us track our progress on issues of global concern and share the results with the world. At times, that progress was painfully slow; at other times, we have aimed too high and been unable to deliver on our ambitious plans. Over time, however, our focus has sharpened, our resolve has strengthened and our results have improved.

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In 1999, the global economy was booming and Ford was one of the most profitable automakers, based largely on North American sales of SUVs and pickups. In 2009, we are in the midst of the worst recession in generations. Like the global economy, our Company has changed dramatically over the course of the decade. We have accelerated the fundamental restructuring we began in 2006. To be competitive, we have shed jobs, factories and brands. We have struck new agreements with the unions representing our employees to help bring our costs in line with other automakers. Even before the current crisis, we began to reshape our Company to succeed in the new reality of a carbon-constrained economy, setting a carbon dioxide (CO₂) emissions-reduction goal for our vehicles and taking a series of actions that include an emphasis on cars, small vehicles and outstanding fuel economy across our lineup.

The good news is that our economic and environmental goals are aligned. In fact, we believe that the best way for us to be more profitable is to make our business and products more sustainable.

This is more than a slogan. Today, thanks to the efforts of thousands of Ford employees around the world, we are offering the highest-quality, safest and most fuel-efficient lineup of cars, trucks and crossover vehicles in our history. We are committed to being the best or among the best in fuel economy in every product segment in which we compete. Our product development strategy includes specific short-, mid- and long-term targets for CO₂ reduction, and we have already begun accelerating some of our planned mid-term actions.

In January, we announced an expanded electric vehicle strategy that is aligned with the world's growing interest in advanced technologies that can help reduce the use of petroleum. This aggressive plan will bring pure battery electric vehicles, next-generation hybrid and plug-in hybrid vehicles to market quickly and affordably. It starts with at least four new vehicles in the next four years that will use the most advanced forms of battery technology.

We continue to make progress in engaging with outside stakeholders and listening to different perspectives on a wide range of issues and we look forward to working with the Obama Administration to develop effective energy and climate policies.

Our work continues in other important areas as well. In 2008, we joined the United Nations Global Compact (UNGC), reinforcing our commitment to human rights and other responsibilities of global companies. Ford was invited to join the UNGC Human Rights Working Group, where it is the only manufacturing company represented. In addition, we are leading an initiative with other automakers and working with our suppliers to encourage a strong, consistent approach to protecting human rights throughout the automotive supply chain.

Ten years ago, in the first of these reports, I said: "We're at the most exciting period in the history of the Ford Motor Company. I wouldn't opt to work in any previous period in our history. We are setting off on a path that will transform us from an old-line industrial company into a model company for the 21st century."

The last decade has been even more exciting than I predicted. And we cannot yet claim to be a model company financially, environmentally or socially. But in the last 10 years, the business case for sustainability has been proven over and over again at Ford. It has helped us lower our costs, improve our quality and productivity, and create exciting new products with high customer satisfaction. We really are a different company – one better suited to tackling global sustainability issues and responding to the rapid pace of change in our markets. These changes were reflected at the Board of Directors level when we formed a Sustainability Committee from the former Environment and Public Policy Committee. The principles of sustainability will continue to drive our efforts in the future, and we will continue to share the results of those efforts with you in this report.



William Clay Ford, Jr.
Executive Chairman and Chairman of the Board

Letter from Alan Mulally

- ▼ OVERVIEW
 - Letter from William Clay Ford, Jr.
 - ▶ Letter from Alan Mulally
 - Letter from Sue Cischke
 - Performance Summary
 - Ford Goals, Commitments and Status
 - Assurance



"We believe our new products deliver exactly what our customers and society need – quality, safety, value and, importantly, fuel efficiency."

Alan Mulally
President and Chief Executive Officer

In 2008, companies in the automotive sector and virtually every other industry were hit by a worldwide economic slowdown of historic proportions.

A lot has changed since our last report, but our blueprint for sustainability and our commitment to pursuing it have not changed. Our vision is to provide sustainable transportation that is affordable in every sense of the word: socially, environmentally and economically.

Fortunately, under our "One Ford" plan, we began aggressively restructuring and securing additional credit before this crisis began. Although economic conditions are challenging, under our current planning assumptions we have sufficient liquidity to make it through this downturn while investing in our

global product plans. That is critically important, because we believe our new products deliver exactly what our customers and our society need – quality, safety, value and, importantly, fuel efficiency.

We are making significant progress on our [priority sustainability issues](#) despite the difficult conditions. In last year's report we described our plan to reduce by 30 percent the carbon dioxide (CO₂) emissions of our new U.S. and European vehicles, relative to the 2006 model year. We are on track to exceed that goal. We articulated our commitment to deliver new vehicles that are best in class or among the best in class in their segment. For example, we introduced the Ford Fiesta EOnetic model, which at 98g/km has the lowest CO₂ emissions of any family car sold in Europe. (See below for more on how we are delivering on our CO₂ commitment.) In addition, during 2008 we:

- Continued to improve our product development, manufacturing and management processes to boost vehicle quality, putting Ford on par with the best in the business according to several global third-party assessments.
- Improved the energy efficiency of our North American facilities by 4.5 percent¹, resulting in savings of approximately \$16 million. Since 2000, we have cut energy use at our global facilities by 34 percent and CO₂ emissions by 45 percent. For the fourth year in a row, the U.S. Environmental Protection Agency recognized Ford's leadership and commitment to protecting the environment through energy efficiency with an Energy Star Partner of the Year Award in the category of Sustained Excellence.
- Received the most Top Safety Picks from the U.S.-based Insurance Institute for Highway Safety of any automaker and introduced a range of safety innovations to our vehicles globally. In the most recent EuroNCAP assessments, the Ford Kuga, Fiesta, European Focus, Mondeo, S-MAX and Galaxy received best-in-class, five-star adult protection and four-star child protection ratings.



These and other accomplishments and challenges are detailed in this report.

Improving Fuel Economy and Cutting Vehicle Greenhouse Gas Emissions

The fuel economy of our 2009 U.S. light-duty fleet will improve by an average of 14 percent compared to the 2005 model year; that percentage will grow to 36 percent for 2015 models.

This progress is the result of an unrelenting focus by the entire Ford team on efficiency improvements in all vehicle systems and attributes – from steering to aerodynamics to the power draw of the vehicle's electrical system. Our commitment is to provide affordable fuel economy for millions of customers.

To fulfill that commitment, we will begin introducing EcoBoost™ engine technology into our product lineup in 2009. EcoBoost uses a combination of turbocharging and direct injection to deliver up to 20 percent better fuel economy without sacrificing performance. Within three years we will deliver 750,000

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EcoBoost-equipped vehicles annually worldwide, making a meaningful difference in fuel economy and the reduction of CO₂ emissions. Our plan is to make EcoBoost available across the full range of our product portfolio, from small cars to large trucks. By 2013, EcoBoost will be available on 90 percent of our product nameplates.

In addition, in 2009 we are doubling the number of hybrid vehicle product offerings and volume that we offer in the United States. The Ford Escape Hybrid, the world's first hybrid SUV, is now in its fifth year of production. Our new Ford Fusion and Mercury Milan Hybrids deliver 41 miles per gallon, making them the most fuel-efficient midsize sedans in America.

To fulfill a key strategic element of our One Ford plan, we are developing vehicles based on global platforms. A good example is the new Ford Fiesta, an award-winning, stylish small car that offers excellent fuel economy. It was introduced in Europe and sold more than 100,000 units in its first six months of availability. It was then introduced in China in early 2009, with a version tailored to that market. By 2010 it will be produced at plants in Germany, Spain, Mexico, Thailand and China for sale in markets around the world.

This global approach to product development is also helping us accelerate our plans to move beyond conventional powertrain technologies. It means quite simply that we can take one platform and, depending on the markets and regional customer demands, design a vehicle with an internal-combustion engine, a diesel engine, a hybrid, a plug-in hybrid or a battery electric vehicle (BEV). This is, in essence, a "plug-and-play" approach that allows us to use different, appropriate technologies in high-volume global platforms for economies of scale.

Accelerating Electric Vehicles

In 2009, we are launching an aggressive plan to bring pure battery electric vehicles, next-generation hybrids and plug-in hybrids to market quickly and affordably. Our plan begins with the introduction of at least four new vehicles in the next four years that will use the most advanced forms of battery technology to achieve the performance and efficiency that our customers want.

In 2010, we will deliver a commercial battery electric vehicle for fleet customers. This BEV, developed in collaboration with Smith Electric Vehicles, Europe's leading battery electric commercial vehicle upfitter, will be based on our new Ford Transit Connect and will use lithium-ion battery packs to maximize range. It will provide a unique opportunity for small business owners in the U.S. to use zero-emission vehicles in their daily rounds.

In 2011, we will deliver a battery electric passenger vehicle in partnership with Magna International. This small car will be offered to retail and fleet customers in the U.S. It will be based on our new global Focus platform. We are aiming for a driving range of 100 miles on a single charge of its lithium-ion battery.

In 2012, we will deliver our next-generation hybrid vehicles, including a plug-in version. The next-generation system, already under development, will be even more efficient and cost-effective than today's and will use lithium-ion cells.

We are employing a comprehensive and collaborative approach to electrification that will tackle barriers to commercialization, such as batteries, standards and infrastructure. Our strategic partnerships in this effort include Southern California Edison, the Electric Power Research Institute and six additional electric utility companies from New York, Atlanta, Detroit and Raleigh.

Our global electrification strategy is a vital element of our business plan going forward. It is built on our core strengths and proven products, as well as our commitment to making Ford a leader in sustainable transportation.

Looking Ahead

Organizations like Ford do not turn on a dime. The improvements we are making reflect several years of strategic focus on improving the fuel economy and reducing the greenhouse gas emissions of our products, as documented in these reports. The huge increase in fuel prices during 2008 added urgency to the transformation, but the sudden collapse of those prices does not diminish it. We know that action on climate change remains as vital as ever, and that fuel prices will remain volatile in the short term and higher in the long term as we pay the true cost of energy. We are committed to collaborating productively with diverse stakeholders to support effective climate change policies in the United States and around the world.

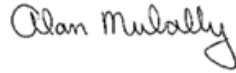
We anticipate low sales volumes across all markets in 2009 due to the continuing global economic crisis. We will continue to take the decisive actions necessary to match production to demand and reduce costs. This will allow us to significantly reduce negative operating cash flow and position Ford for growth when the economy rebounds. Importantly, it also will allow us to continue launching an unprecedented number of new environmentally friendly vehicles.

We remain on track for our overall pre-tax results to be at breakeven or better in 2011, excluding

special items. By remaining economically viable, we can continue to make positive contributions to society and reduce the environmental impact of our products.

These are uncertain times. We do not know exactly when or how much auto sales will recover. We do not know the fate of our U.S. competitors or the precise impact it will have on our Company.

But there are some certainties. The world's economies and people are more interconnected than ever. Issues like climate change and water availability demonstrate environmental and social interconnectedness. Economic conditions will be one of the predominant concerns of the public and politicians for the foreseeable future. However, sustainability is now solidly established as a top priority for citizens and governments around the world. At Ford, we believe this is a positive development, because only when we, the people of the world, come together to discuss these issues will real progress be made. We also believe strongly that our sustainability strategy will be a key component of our business going forward, and we look forward to the exciting challenges ahead.



Alan Mulally
President and Chief Executive Officer

1. Measured by our [Energy Efficiency Index](#)

Letter from Sue Cischke

▼ OVERVIEW
Letter from William Clay Ford, Jr.
Letter from Alan Mulally
▶ Letter from Sue Cischke
Performance Summary
Ford Goals, Commitments and Status
Assurance



"We continue to set a range of sustainability goals and targets. Some are long-term and sweeping, like our goal to reduce the CO₂ emissions of our new products in the United States and EU by 30 percent by 2020. Others are more short-term and operational, like cutting our water use by 6 percent by 2010."

Sue Cischke
Group Vice President, Sustainability,
Environment and Safety Engineering

It goes without saying that 2008 was a difficult year, not just for Ford but for institutions and people around the world.

It was also a year filled with progress on Ford's sustainability agenda: we introduced exciting new vehicles with best-in-class fuel economy. We accelerated our plan to develop plug-in hybrid electric vehicles and battery-powered electric vehicles. We continued our leadership in vehicle safety and human rights. We took unprecedented steps to further integrate our sustainability strategy into our business operations.

There were also some difficult steps we had to take. We continued to reduce our workforce and close plants to align our capacity to the dramatically reduced global demand for new automobiles.

Because these issues and accomplishments are well documented in this report, I will focus instead on the nuts and bolts of sustainability at Ford: how we are further integrating sustainability into every facet of our

business functions and how we are using partnerships and collaboration to advance our sustainability agenda. These are the enablers of continued progress in sustainability through good times and bad.

During 2008, our Board of Directors transformed its Environment and Public Policy Committee – composed of outside Directors – into the Sustainability Committee, reflecting the importance of the full range of sustainability issues to Ford. With this change, we have defined responsibility and accountability for sustainability performance at the highest levels of the Company.

In 2009, we moved the environmental policy function into the sustainable business strategy function, helping to better align our strategy and policy advocacy. The functions I directly supervise have a clear impact on our ability to deliver on our sustainability strategy, but just as important are other key business functions like product development, manufacturing, purchasing and marketing. We integrate and align these functions through the [sustainable mobility governance structure](#). In 2009, we took further steps to ensure that sustainability issues are integrated and managed systematically across functions and regions. These steps included enhancing our sustainability integration forums, including the Global Sustainability Supply Chain Council.

In addition, we continue to set a range of [sustainability goals and targets](#). Some are long-term and sweeping, like our goal to reduce the carbon dioxide emissions of our new products in the United States and EU by 30 percent by 2020. Others are more short-term and operational, like cutting our water use by 6 percent by 2010. We have established accountability for achieving these goals by including related objectives in the performance plans of individuals. For example, people throughout the product development function are accountable for delivering to product goals and targets, which are evaluated regularly at our senior leadership meetings.

By its nature, tackling sustainability challenges requires collaboration among companies with varying expertise, government agencies, academic experts and others. We have developed or joined partnerships in several key areas.

We continue to work actively through the U.S. Climate Action Partnership, a multi-stakeholder coalition, to advance an economy-wide approach to greenhouse gas reduction in the United States.

Electrification – or the use of electricity to provide most or all of the power for automobiles – is a promising approach for reducing vehicle greenhouse gas emissions. But fulfilling that promise will require cooperation by vehicle manufacturers, electric utilities, regulators and consumers. We are cooperating with Southern California Edison, the Electric Power Research Institute and seven additional

electric utility companies in the United States to test the integration of electric vehicles with the electric grid and develop appropriate business models to promote electrification. Also, our collaborative research with BP has helped inform our overall climate change strategy and approach to electrification.

We know that the road ahead will be challenging for our Company. Our financial success and ability to deliver on our sustainability agenda are inextricably linked. We remain firm in our commitment, are proud of the accomplishments we are making toward our goals and look forward to reporting further progress.



Sue Cischke

Performance Summary

OVERVIEW

Letter from William Clay Ford, Jr.

Letter from Alan Mulally

Letter from Sue Cischke

Performance Summary

Ford Goals, Commitments and Status

Assurance

Below is a summary of our key performance data. Please also see the [Overview](#) for discussion of data parameters and the [Economy](#), [Environment](#) and [Society](#) data sections for additional indicators, five-year trends and notes on data assurance.

	Economy	Environment	Society
	2006	2007	2008
GQRS things gone wrong (TGW) (3 months in service), total things gone wrong per 1,000 vehicles ¹	1,586	1,405	1,287
GQRS customer satisfaction (3 months in service), percent satisfied ¹	74	76	77
Sales satisfaction with dealer/retailer, Ford brand, U.S., percent completely satisfied ²	81	82	84
Sales satisfaction with dealer/retailer, Ford brand, Europe, percent completely satisfied	81	80	81
Service satisfaction with dealer/retailer, Ford brand, U.S., percent completely satisfied ³	70	72	74
Service satisfaction with dealer/retailer, Ford brand, Europe, percent completely satisfied	67	68	70
Shareholder return, percent ⁴	1	-10	-37
Net income/loss, \$ billion	-12.6	-2.7	-14.7
Sales and revenue, \$ billion	160.1	172.5	146.3

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Notes to the Data

1. GQRS customer satisfaction/TGW
The Global Quality Research System (GQRS) is a Ford-sponsored competitive research survey. GQRS is a good indicator of other quality results. Full-year 2008 GQRS customer satisfaction and "things gone wrong" (TGW) are 77 and 1,287 respectively. See the [Economy](#) section for a discussion of our efforts to improve quality.
2. Sales satisfaction with dealer/retailer, Ford brand, U.S.
Note that the measure changed in 2005 from "Percent Completely Satisfied" to "Net Promoter Score." The data has been recalculated to reflect Net Promoter Scores.
3. Service satisfaction with dealer/retailer, Ford brand, U.S.
Note that the measure changed in 2005 from "Percent Completely Satisfied" to "Net Promoter Score." The data has been recalculated to reflect Net Promoter Scores.
4. Shareholder return
Source: Bowne & Co., Inc.

	2006	2007	2008
Ford U.S. fleet fuel economy, combined car and truck, miles per gallon (higher mpg reflects improvement) ¹	23.8	25.3	26.0
Ford U.S. fleet CO ₂ emissions, combined car and truck, grams per mile (lower grams per mile reflects improvement) ²	371	352	340
European CO ₂ performance, percent of 1995 base (1995 base = 100 percent) (lower percentage reflects improvement)			
Ford	78	78	77
Volvo	86	84	81
Worldwide facility energy consumption, trillion BTUs ³	73.8	65.6	61.0
Worldwide facility energy consumption per vehicle, million BTUs ⁴	12.2	10.8	12.2
Worldwide facility CO ₂ emissions, million metric tonnes ³	6.7	5.8	5.4
Worldwide facility CO ₂ emissions per vehicle, metric tonnes ⁴	1.11	0.97	1.09

North American Energy Efficiency Index, percent (2000 base = 100 percent) (lower percentage reflects improvement) ⁵	78.4	74.4	69.9
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Notes to the Data

1. U.S. fuel economy

See the [Fuel Economy and Greenhouse Gas Emissions](#) section for a discussion of our Corporate Average Fuel Economy (CAFE) performance. For the 2008 model year, the CAFE of our cars and trucks increased by 2.9 percent relative to 2007. Preliminary data for the 2009 model year indicates that the CAFE of our cars and trucks will improve by another 4.0 percent compared to 2008. Improvement is reflected in increasing miles per gallon.

2. U.S. fleet CO₂ emissions

See the [Climate Change](#) section for a discussion of our CO₂ emissions performance. Improvement is reflected in decreasing grams per mile.

3. Worldwide facility energy and CO₂ emissions

Data have been adjusted to account for facilities that were closed, sold or new. This data does not include Automotive Components Holdings (ACH) facilities.

4. Energy and CO₂ per vehicle

Energy consumption and CO₂ emissions per vehicle divides energy used or CO₂ emitted by the number of vehicles produced. Averaging energy and CO₂ emissions by the number of vehicles produced yields a somewhat imperfect indicator of production efficiency. When the number of vehicles produced declines, as it has since 2000, per-vehicle energy use tends to rise because a portion of the resources used by a facility is required for base facility operations, regardless of the number of vehicles produced.

We believe that the long-term trend of declining per-vehicle energy use and CO₂ emissions indicate that more efficient production since 2000 is offsetting the tendency of these indicators to rise during periods of declining production. This interpretation is reinforced by our Energy Efficiency Index, which focuses on production energy efficiency and which has been steadily improving. Our Energy Efficiency Index target also has the effect of driving reductions in CO₂ emissions. These data do not include ACH facilities.

5. North American Energy Efficiency Index

The Index is "normalized" based on an engineering calculation that adjusts for typical variances in weather and vehicle production. The Index was set at 100 for the year 2000 to simplify tracking against our target of 3 percent improvement in energy efficiency.

	2006	2007	2008
Employee satisfaction, Pulse survey, overall, percent satisfied ¹	62	64	66
Overall dealer attitude, Ford, relative ranking on a scale of 1–100 percent (summer/winter score) ²	64/64	69/64	68/69
Overall dealer attitude, Lincoln Mercury, relative ranking on a scale of 1–100 percent (summer/winter score) ²	62/64	66/64	64/66
Ford Motor Company Fund contributions, \$ million ³	58	37	33
Corporate contributions, \$ million ³	25	17	16
Volunteer corps, thousand volunteer hours ⁴	80	86	100
Lost-time case rate (per 100 employees), Ford Motor Company	1.1	0.9	0.7
Lost-time case rate by region (per 100 employees), Ford Motor Company			
Americas	1.5	1.2	1
Asia Pacific/Africa	0.1	0.1	0.1
Europe	0.9	0.7	0.6
Severity rate (per 100 employees), days lost per 200,000 hours worked	14.5	12.6	13.5
U.S. safety recalls, number per calendar year ⁵	11	15	10
U.S. units recalled, number of million units ⁵	1.7	5.5	1.6
IIHS Top Safety Picks, number of vehicles ⁶	6	8	14

Notes to the Data

1. Employee satisfaction

In 2006, the Pulse survey was changed to incorporate new dimensions. While there was no change to the number or content of the existing 55 core questions asked on Pulse, they were realigned into eight revised dimensions. These changes were made because the revised dimensions are better focused on current business priorities and can provide a framework for more focused feedback and action planning. In addition, the revised Employee Satisfaction Index can be benchmarked externally; none of the prior 13 dimensions could be benchmarked outside the Company.

2. Overall dealer attitude

Overall dealer attitude is measured by the National Automobile Dealer Association (NADA) Dealer Attitude Survey. Scores are for the summer and winter respectively of the year noted. Due to a data compilation error, we incorrectly reported the 2007 NADA scores in our 2007/08 Sustainability Report. The 2007 numbers are presented accurately in this year's tables.

3. Ford Motor Company Fund and corporate contributions

See the [Community](#) section for a description of our charitable contributions.

4. Volunteer corps

The Ford Volunteer Corps was founded in 2005, and 2006 is the first year data are available. However, volunteerism and community service have long been a part of Ford's culture, and these efforts were formalized in 1997 with the creation of the 16-hour Community Service Program.

5. Recalls

Recalls are by calendar year rather than model year. A single recall may affect several vehicle lines and/or several model years. The same vehicle may have multiple recalls. (Source: U.S. National Highway Traffic Safety Administration.)

6. Top Safety Picks

To earn a Top Safety Pick from the Insurance Institute for Highway Safety (IIHS), a vehicle must receive a rating of "good" in offset frontal impact, side impact and rear impact evaluations, and offer electronic stability control. Top Safety Picks are the best vehicle choices for safety within size categories. 2005 (2006 Model Year) was the first year the IIHS issued Top Safety Picks.

Additional vehicle safety data can be found in the [Society data section](#). Also, complete ratings data by vehicle can be found on the Web sites for the [Insurance Institute for Highway Safety](#), NHTSA's [New Car Assessment Program](#) and the [European New Car Assessment Program](#).





Ford Goals, Commitments and Status






- ▼ OVERVIEW
- Letter from William Clay Ford, Jr.
- Letter from Alan Mulally
- Letter from Sue Cischke
- Performance Summary
- ▶ Ford Goals, Commitments and Status
- Assurance



This table summarizes Ford goals, commitments, targets and progress in our material issue areas and other important performance areas.

KEY  ON TRACK  IN PROCESS  NOT ON TRACK

Material Issues


Goal/Commitment	2008 Progress	On Track?
Execute our "One Ford" transformational plan to create a leaner, more efficient global enterprise	Completed debt restructuring initiatives to reduce debt by \$9.9 billion and lower annual interest expense by more than \$500 million. Continued to reduce employment levels in North America through layoffs and buyouts. Eliminated 2009 merit increases and bonuses. Two top executives voluntarily accepted a 30 percent salary reduction for 2009/10. Reached agreement with the UAW to restructure health care coverage for current and future retirees and eliminate the "jobs bank" for laid-off union workers.	
Achieve profitability in 2009	Profitable in first quarter, but profits eroded in the midst of the global recession and credit crunch. Goal was revised to achieve profitability in 2011.	
Align capacity to demand	Closed facilities and converted manufacturing plants to produce the vehicles that customers want.	
Reverse the trend of losing money on small car production in the U.S.	Increased production of smaller-sized vehicles in North America and globally. Improving costs to competitive levels. Enhancing revenues through class-leading fuel economy, safety performance and quality.	




Goal/Commitment	2008 Progress	On Track?
Products		
Reduce CO2 emissions of U.S. and EU new products by 30 percent by 2020, relative to a 2006 model year baseline	Continued fuel economy improvements. Accelerated our electrification strategy. Worked to develop climate policies.	
All new vehicles to be best in class or among the best in class for fuel economy	Many 2009 models and all new 2010 models released in the U.S. as of May 2009 meet this pledge.	
Australian Industry-wide National Average CO2 Emissions (NACE) ¹ : Voluntary target to achieve industry-wide, national average CO2 emissions of 222 g/km for light vehicles under 3.5 tonnes gross vehicle mass by 2010; requires an overall reduction in average CO2 emissions of 12 percent between 2002 and 2010	Industry NACE was 222.4 g/km CO2 in 2008. Industry expects to achieve the target ahead of schedule in 2009.	
Canadian Greenhouse Gas Memorandum of Understanding: Industry-wide voluntary agreement to reduce greenhouse gases (GHGs) from the Canadian car and truck fleet by 5.3 megatonnes by 2010 compared to projected emissions	Continued fuel economy improvements being made. Working with government regarding future measurement requirements.	
Manufacturing		
Continuous improvement in energy efficiency; 2009 goal is a 3 percent improvement	Did not meet 2008 goal of 3 percent improvement. Globally: 12 percent reduction in energy efficiency; 4.5% improvement in the United States.	 ²


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EU Emission Trading Scheme: Ensure compliance with Trading Scheme requirements, including third-party verification	Continued to comply with the Trading Scheme requirements.	
Chicago Climate Exchange: Reduce Ford's North American facility CO2 emissions by 6 percent between 2000 and 2010 as verified by third-party auditors	On track to surpass emissions-reduction commitment. Globally, we have reduced our total facilities-related CO2 emissions by approximately 45 percent and emissions per vehicle by 24 percent.	
Alliance of Automotive Manufacturers: Reduce industry-wide U.S. facility GHG emissions by 10 percent per vehicle produced between 2002 and 2012	Industry continued to make progress on this reduction target.	
Voluntary GHG reporting	Voluntarily reported facility CO2 emissions to national emissions registries in Australia, Canada, Mexico, the Philippines and the United States. Also reported CO2 emissions in Chongqing, China.	

1. Previously known as National Average Fuel Consumption (NAFC)
2. We experienced a reduction in global energy efficiency due to a 17 percent reduction in production during 2008. Plants in shutdown mode reduced but did not entirely eliminate their energy use. Although our energy use per vehicle produced was less efficient in 2008, we reduced global energy consumption by 7 percent due to significantly lower production volumes. From 2000 to 2008, we improved energy use per vehicle by 13.7 percent and cut overall energy use by 29 percent. In North America, we measure energy efficiency using our Energy Efficiency Index, which normalizes energy use based on an engineering calculation to adjust for variances in vehicle production and weather. The 4.5% improvement in 2008 is based on a year 2000 baseline.

Goal/Commitment	2008 Progress	On Track?
Develop partnerships and projects to explore solutions to urban mobility challenges	Catalyzed the planning and testing of new mobility systems in Cape Town, South Africa; Chennai and Bangalore, India; and Atlanta, Georgia, United States.	

Goal/Commitment	2008 Progress	On Track?
Ford Facilities		
Maintain and demonstrate compliance with Ford's Code of Basic Working Conditions	Completed assessments in the Philippines, Vietnam, and Chicago, Illinois.	
Supply Chain		
Overall goal: Leverage Ford's complex, global supply chain to make a positive impact in the markets in which we do business Target: Build capability/assess suppliers in 17 priority countries by 2009	Through year-end 2008, have trained 1,621 managers at 1,317 supplier companies and assessed more than 550 suppliers in 17 priority countries.	
Align policies and practices with key production suppliers to protect working conditions	Within context of Ford's commitments to assist Aligned Business Framework suppliers, in 2008 held two sustainability sessions attended by senior management from Ford and key production suppliers; shared resources and training materials; and assisted suppliers in aligned code development.	
Facilitate development of industry-wide approach to ensuring sound working conditions in supply chain	Worked with Automotive Industry Action Group to provide facility-level training to automotive suppliers since 2007: <ul style="list-style-type: none"> China: trained 461 Tier 1 suppliers; information cascaded to 21,799 people at the Tier 1 supplier level and to more than 2,100 Tier 2 suppliers. Mexico: trained 494 Tier 1 suppliers; information cascaded to 44,833 people at the Tier 1 supplier level and to more than 5,600 Tier 2 suppliers. In 2008, initiated engagement at the corporate level with identified suppliers to five participating OEMs. Held two initial training events for Tier 1 purchasing management. 	




Goal/Commitment	2008 Progress	On Track?
Design and manufacture vehicles that achieve high levels of vehicle safety for a wide range of people over the broad spectrum of real-world conditions	Achieved higher public domain ratings than ever before. Have more than one million vehicles on the road with Roll Stability Control. Nearly all vehicles now available with side air bags (the Safety Canopy). Introduced new accident avoidance features such as Rearview Camera with Guidelines and Volvo's City Safety. Introduced SYNC 911 Assist as a key post-crash/injury mitigation technology.	

Meet or exceed all regulatory requirements for safety	Continue to meet this goal every year. Ford's internal Safety Design Guidelines and Public Domain Guidelines go beyond basic regulatory requirements.	
Provide information, educational programs and advanced technologies to assist in promoting safe driving practices	Developed and implemented Driving Skills for Life in Southeast Asia. Introduced MyKey. Unveiled new SYNC safety features. Continued the See Me Safe program.	
Play a leadership role in accident research	Continued to be involved in the German In-depth Accident Study, the United Kingdom Co-operative Crash Injury Study, the Global Road Safety Initiative and the Australian National Crash In-depth Study.	

Other Important Issues

Environment (non-climate) Workplace Safety Quality		
Goal/Commitment	2008 Progress	On Track?
Products		
Expand use of the Product Sustainability Index (PSI) and Design for Sustainability principles in product development	Developed two additional vehicles using the PSI – the 2008 Ford Kuga and 2009 Ford Fiesta.	
Increase the use of recycled, renewable and lightweight materials	Expanded use of soy foam seating in the U.S. and natural-fiber-reinforced compression-molded parts in multiple European vehicles. Implemented lightweight aluminum/magnesium parts on multiple vehicles. Developed a standard/cross-vehicle recycled plastic resin purchasing and parts implementation strategy to use recycled plastics in underbody and other exterior parts, as well as recycled content standards for seating and headliners in all new or significantly redesigned U.S. vehicles.	
Reduce the use of substances of concern	Expanded the range of vehicles certified for interior air quality by TÜV Rheinland. Continued to eliminate mercury by implementing mercury-free navigation and entertainment screens and to eliminate lead wheel weights by switching to steel in all light-duty vehicles in the U.S.	
Manufacturing		
Goal: Reduce water use 2009 target: 6 percent reduction	Exceeded the 2008 water-reduction goal of 3 percent from 2007 by 21 percentage points.	
Goal: Reduce landfill disposal 2009 target: 10 percent reduction	Exceeded 2008 target of reducing landfill waste per vehicle by 5 percent from 2007	
Expand the use of fumes-to-fuel technology in painting facilities, which reduces energy use and volatile organic compound emissions	Implemented second fumes-to-fuel technology system at the Oakville Assembly plant.	
Expand the use of new and innovative water and emissions-reduction technologies at additional manufacturing facilities	Expanded use of robotic parts washing systems and minimum quantity lubricant parts machining technologies, which reduce energy and water use and eliminate waste.	

Goal/Commitment	2008 Progress	On Track?
Safety		
Fatalities target is always zero	Experienced two employee and two contractor fatalities during 2008. Improved over 2007 but any work-related fatality is unacceptable.	
Serious injuries target is zero; objective is to be competitive with industry by 2010	Reduced total from 207 to 172. Failed to reach aggressive 50 percent reduction target. Active interventions in place in all regions.	
Overall goal is to obtain competitive DART levels and drive continuous improvement; specific targets are set by business units yearly for 5 years into the future	Met 2008 targets in all regions. Reached competitive levels in North America two years ahead of plan.	
Health		
Improve focus on employee personal health through access to health risk appraisal and health promotion programs	Most regions have active personal health promotion programs in place. Common global metrics were deployed and plans to implement in remaining countries were developed.	

Goal/Commitment	2008 Progress	On Track?
Become global quality leader; strive to be best in class in every phase of vehicle development, from design to pre-delivery	Internal and external measures continue to show the Company is making significant quality strides. Initial quality of Ford Motor Company vehicles has surpassed Honda and is in a statistical tie for first place with Toyota.	
Launch new small global cars with the industry's best quality ever, at fewer than 800 "things gone wrong" (TGW) per 1,000 vehicles in the first 90 days of ownership; continue to improve initial quality and long-term durability by reducing TGW and warranty costs in every vehicle program	Decreased TGW for fifth straight year in 2008. Ford brand improved more than industry average by decreasing problems per 100 by 22 according to third-party assessment of MY2006 vehicles. Warranty repair rate for Ford, Lincoln and Mercury vehicles in the U.S. is almost 50 percent lower than it was in 2004, reducing worldwide warranty repairs costs by \$1.2 billion in the past two years.	
Continue to improve customer satisfaction with our vehicles and sales and service divisions	Customer satisfaction with Ford, Lincoln and Mercury vehicles and with sales and service increased in the U.S. and Europe.	

Assurance

OVERVIEW

Letter from William Clay Ford, Jr.

Letter from Alan Mulally

Letter from Sue Cischke

Performance Summary

Ford Goals, Commitments and Status

▶ Assurance

In recent years, Ford has used various external assurance models to improve the report's thoroughness, transparency and utility to stakeholders. For our 2004/5 report, we worked with Ceres and SustainAbility to create a Report Review Committee made up of 13 external stakeholders who advised us on the development of the report. Their feedback on our process and on the content of the report itself was included in the report.

Ceres Stakeholder Committee

For this report and our previous two reports, [Ceres](#) convened Stakeholder Committees to advise us. Ceres is a network of investors, environmentalists and other public interest groups that works with companies and investors to address sustainability challenges. Ford agreed to work with a stakeholder team that was selected for it by Ceres. The Ceres Stakeholder Committee that was selected is an independent group of individuals drawn primarily from the Ceres coalition and representing a range of constituencies that have expertise in environmental, social and governance issues.

In reviewing this report, the Committee considered whether the Company adequately reported on its sustainability performance and key impacts, including goals, targets, systems, data and initiatives. The Committee met twice: once to review and comment on the report plan, and once to review and comment on a nearly final draft of the material issues sections of the report.

In this report, we have responded to several suggestions the Committee made during reviews of previous reports, notably the publication of our CO₂ reduction target and a detailed roadmap for achieving it. In addition, the Committee raised a number of questions and made suggestions for improvements to the report, including:

- Questions about the alignment of Ford's product CO₂ goal with U.S. policy alternatives
- Interest in Ford's goals and targets across a range of issues and the suggestion that the Company expand its targets, including setting a target to reduce operational CO₂ emissions
- A suggestion to expand reporting on Ford's political contributions, including contributions to membership organizations that take public policy positions
- Comments on the materiality matrix

Some suggestions were addressed in this report, including:

- Expanded reporting on [climate change public policy](#), emphasizing our support for a comprehensive U.S. policy framework
- Inclusion of a summary of [goals, commitments and progress](#) against them
- Revisions to the [materiality matrix](#) to respond to stakeholder committee suggestions

Other recommendations will be considered for future reporting. For example, we are exploring providing a list of organizations that we support, including some that lobby on behalf of their members.

Data Assurance

Some of the data in our reports have been subject to various forms of internal and third-party verification, as follows.

- Financial data were audited for disclosure in the Ford Annual Report on Form 10-K.
- More than two-thirds of Ford's global facility greenhouse gas (GHG) emissions are third-party verified. All of Ford's North American GHG emissions data since 1998 have been externally verified by FINRA, the auditors of the NASDAQ stock exchange, as part of membership in the Chicago Climate Exchange. In addition, all emissions data covered by the EU Emission Trading Scheme (EU-ETS) and voluntary UK Emissions Trading Scheme are third-party verified. All EU-ETS verification statements are provided to Ford by facility from CICS for UK facilities, Lloyds for Germany and Spain, and Flemish Verification Office for Belgium. North American facilities are verified against the World Resources Institute's GHG Protocol. European facilities are verified against the EU-ETS rules and guidelines.
- Ford voluntarily reports facility CO₂ emissions to national emissions registries in Australia, Canada,

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Mexico, the Philippines and the United States.

- Various environmental data are reported to regulatory authorities.
- Ford's facility environmental data are managed using the Global Emissions Manager database, which provides a globally consistent approach to measurement and monitoring.

Whether and how data have been assured is noted in the data sections of this report.