



YEAR IN REVIEW	OUR BLUEPRINT FOR SUSTAINABILITY	FINANCIAL HEALTH	CLIMATE CHANGE AND THE ENVIRONMENT	WATER	VEHICLE SAFETY	SUPPLY CHAIN	PEOPLE	FORD AROUND THE WORLD
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Year in Review

Read our Executive Messages from:



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Welcome to the 14th 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.

This section of our Sustainability Report provides information about this Report and an overview of our sustainability performance in 2012. It includes perspectives on sustainability at Ford from our [Chairman](#), our [CEO](#) and our [vice president for Sustainability, Environment and Safety Engineering](#); a summary of 2012 [performance data](#); our [goals and commitments](#); a "map of our year"; and discussion of [assurance](#) of this Report.

About this Report

In addition to this full online Report, we publish an eight-page [summary report](#) (pdf, 2.64Mb) for use by employees, customers and other stakeholders. Our most recent previous report was released in June 2012.

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. Although this is not formally an "integrated report" – one that combines financial and sustainability reporting – we have expanded on our longstanding practice of reporting on Ford's financial health and its interrelationships with our sustainability performance (see, for example, the [value chain](#) infographic, which includes examples of value creation at each stage). We expect our reporting to evolve further and invite your feedback on this Report, and our approach to reporting, at sustaina@ford.com.

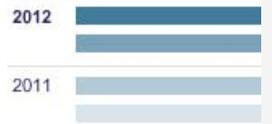
Data in this Report are subject to various forms of [assurance](#) as noted in the data tables. The summary report was reviewed by Ford's top executives and the Sustainability Committee of the Board of Directors. A Ceres [stakeholder committee](#), which included representatives of environmental groups and socially responsible investors, reviewed our [materiality analysis](#) and the outline for the full report.

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 listing of the GRI indicators. More information on the GRI and the application levels



Map of Our Year

Read about our sustainability-related highlights from 2012, month by month.



Summary of Data

Our Performance Summary lays out our key data in all categories – for 2012 and the previous two years.

can be found on the [GRI website](#).

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

This Report covers the year 2012 and early 2013. The data are primarily for 2012 (for operations) and for the 2012 and 2013 model years (for vehicles).

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 in the data charts.



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Letter from William Clay Ford, Jr.

“ I believe the fundamental purpose of a corporation is to make people's lives better, and we can do that by creating outstanding products, by investing in the communities where our employees live and work, and by using our position as a technology leader to tackle global sustainability challenges.”



Since we released our first report on this subject in 1999, sustainability at Ford Motor Company has evolved from an idealistic vision into a core part of our business. Our commitment to responsibly use our resources to create long-term value has guided us successfully through periods of rapid change and shifting markets. It has helped us to be successful as a corporate citizen and as a global competitor.

Creating long-lasting benefits for all of our stakeholders starts with a business model that is economically sustainable. Our ONE Ford plan enables us to fully leverage our worldwide resources by operating as a single global enterprise. Under this plan we emerged from the economic downturn as a vibrant, growing business. We have been solidly profitable since 2010, and we continue to invest in and expand our operations around the world, taking advantage of the flexibility our global vehicle platforms provide us.

Improving Our Product and Manufacturing Footprint

Our strong showing in the electrified vehicle market is a good example of how great products can help build a strong business as well as a better world. In 2012, we introduced six new electrified vehicles in North America, including hybrid, plug-in hybrid and pure battery electric models. By offering a variety of vehicles, we make it easier for customers to embrace these fuel-saving technologies. As a result of our aggressive move into this growing segment, we set sales and market share records for our hybrid vehicles in 2012, and that strong momentum continues in 2013.

Also in 2012, we announced a five-year strategy to reduce our global waste to landfill by 40 percent per vehicle between 2011 and 2016. This waste goal complements our multiyear per-vehicle facility goal to cut water use and carbon dioxide (CO₂) emissions. On the product side, we continue to make good progress on our ongoing, science-based goal to reduce vehicle CO₂ emissions enough to make a measurable contribution to combating climate change.

Supporting People Globally

I believe the fundamental purpose of a corporation is to make people's lives better, and we can do that by creating outstanding products, by investing in the communities where our employees live and work, and by using our position as a technology leader to tackle global sustainability challenges.

We consider our people to be our most important resource, and I am very proud of our initiatives related to human rights. We adopted our human rights code in 2003 to help ensure our employees around the world are afforded dignity and safety in their work environment. Our guidelines have evolved over the years and our commitment to environmental and social sustainability, as well as to human rights throughout our global operations, has expanded. We have also reinforced our

commitment to the people who work in our supply chain. We have led collaborations with our key suppliers and other automakers to embed this approach across the industry.

Addressing Mobility Challenges

We are also looking at the impact our products will have in the future, when urban mobility, climate change and other challenges will dramatically alter the nature of private car ownership. We already are beginning to see these changes unfold and we need to proactively be ready for them. To explore these trends, Ford examined the demographic and logistical realities that will shape transportation over the next several decades, and we have used these projections to shape our path going forward.

Increased global population and prosperity could double the number of vehicles in the world by mid-century. With so many more drivers on the road, wireless communication among vehicles, infrastructure and the Internet will be needed to make driving safer and more efficient. To help guide our efforts in this area, in 2012 we outlined our Blueprint for Mobility, which outlines what we believe transportation will look like by mid-century and beyond, and the technologies, business models and partnerships needed to get there. In short, it maps out our strategy to provide sustainable transportation that is affordable in every sense of the word – economically, environmentally and socially.

We have created this blueprint because we believe mobility is a human rights issue: Access to and ease of transportation make a substantial difference in a society's quality of life. Combining transportation and technology will help reduce the time and resources lost circling urban areas looking for parking, clear crowded highways that slow vital goods from flowing freely, and prevent traffic jams that can stop emergency vehicles in their tracks.

Ford has been committed to the development of connected vehicle communications for more than a decade, and this commitment can be seen in our latest efforts in the U.S. and Europe.

In 2012, a number of automakers, including Ford, began working with the U.S. Department of Transportation and the University of Michigan on a pilot safety study in Ann Arbor, Michigan. Wireless devices were installed in 3,000 vehicles to evaluate the effectiveness of connected vehicle technology in preventing crashes.

In Europe, Ford also is working on two joint research projects to test vehicle-to-vehicle and vehicle-to-infrastructure communication systems under real-world conditions. One is with the German government and the other with a consortium of 29 partners. We provided 20 vehicles for the Germany test, which began in Frankfurt in July 2012.

We also are looking at emerging business models that will change the future transportation landscape.

In 2013, Ford is launching FORD2GO in Germany, the first automotive manufacturer-backed, nationwide car-sharing program in Europe to incorporate dealerships. The program calls for participating Ford dealers across Germany to offer cars and service to customers in their communities, allowing easy access to shared cars and the opportunity for potential customers to experience Ford vehicles while reducing the total number of vehicles on the road.

We are also bringing the benefits of mobility and Internet cloud computing deep into the developing world. In 2012, Ford piloted the SUMURR (Sustainable Urban Mobility with Uncompromised Rural Reach) program in India, combining health applications on mobile phones and the off-road capabilities of a Ford Endeavour to extend the physical reach of maternal care to 3,100 people in 54 remote villages in a rural part of the country. SUMURR serves as a tangible demonstration of the synergy that can be achieved through our products, technology and partnerships to make a genuine difference in the lives of people around the globe.

Looking to the Future

From these exciting wireless communications projects to our efforts to strengthen our financial position and reduce our environmental impact, Ford is deeply committed to sustainability. New technologies and a more open, collaborative approach are helping us achieve breakthroughs we could only dream of in 1999, and we are eager to go further. It is an exciting time for us as we continue on our journey to build great products, a strong business and a better world.



William Clay Ford, Jr.
Executive Chairman



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“ We are going further by committing to use resources responsibly, because efficient operations yield benefits economically, socially and environmentally. Indeed, going forward, the companies that are sustainable will continue to make products that people want and value, and they will do it using fewer resources and less time.”



Our ONE Ford plan continues to deliver, and Ford Motor Company had another successful year in 2012. We have been solidly profitable since 2010, and we continue to invest in and expand our operations around the world, taking advantage of the flexibility our global vehicle platforms provide us. We launched 25 vehicles and 31 powertrains globally in 2012, a testament to our ongoing commitment to product development. We sold 2.2 million vehicles in the U.S. in 2012 and, for the first time, we sold more than 1 million vehicles in our Asia Pacific and Africa region, with record sales in China. We also announced plans to revitalize our Lincoln brand as the Lincoln Motor Company, which will introduce an exciting new lineup of great luxury vehicles.

Our strong global performance was led by the Focus, which was the best-selling nameplate in the world in 2012, and the Fiesta, the best-selling B-car in the world based on the latest global data, while the F-Series truck was the fourth best-selling global nameplate.

Strengthening Our Balance Sheet to Build a Sustainable Business

More than any other milestone, the return of the iconic Ford Blue Oval symbolizes our renewed financial strength. We earned back our investment grade rating from the second of three major ratings agencies in the spring of 2012, triggering the release of the Blue Oval, which had been used as collateral when we borrowed \$23.5 billion for our restructuring. This significant achievement also allowed us to lower our borrowing costs and repay loans. Financing our plan and strengthening our balance sheet is a key part of our ONE Ford plan. It reflects the long-term perspective that is at the heart of our ONE Ford plan and our sustainability strategy, which guide us as we build Great Products, a Strong Business and a Better World.

ONE Ford also has transformed our Company into a truly global enterprise in terms of our products and processes. For example, we expect sales in the Asia Pacific region to grow to a full third of our total sales by the end of this decade. We also plan for small vehicles to grow to represent 55 percent of our sales as we serve customers in all markets with a full family of vehicles – small, medium and large; cars, utilities and trucks – giving us a product portfolio that is well balanced and attuned to a world concerned about energy security and climate change.

A sustainable business is also a resilient one. We are implementing the same ONE Ford plan that guided our transformation in North America as we now respond to the volatile economic conditions in Europe by accelerating new product introductions, enhancing our brand and restructuring our manufacturing operations. Europe remains an important market for Ford, and we are committed to serving customers and achieving profitable growth in all regions.

Contributing Solutions

In the longer term, changing markets, the cost and availability of resources, congestion, urbanization and climate change, among other issues, will dramatically alter the nature of private car ownership, while also presenting new opportunities to grow our business. As we expand and realign globally and introduce new products, we are contributing solutions to economic development, energy security and independence and environmental sustainability.

Our fuel economy leadership is one example of our commitment to address climate change. In 2012, we made a strong entry into the electrified vehicle market, giving our customers six new choices: the Fusion Hybrid, C-MAX Hybrid and Lincoln MKZ Hybrid; the Fusion Energi and C-MAX Energi plug-in hybrids; and the Focus Electric, a pure battery electric car. We also are introducing innovative mobile smartphone apps, such as PlugShare on MyFord Mobile, which helps drivers locate nearby charging stations. By March 2013, Ford was the second-leading seller of electrified vehicles in the U.S., capturing 15 percent of hybrid sales, compared to about 3 percent in 2012.

Customers also are responding positively to our efficient EcoBoost® engines. These gas-turbo direct-injection engines provide as much as 20 percent better fuel economy than a traditional engine, without sacrificing performance. In 2012, we reached a major milestone by producing our 500,000th EcoBoost engine worldwide, just three years after its launch.

Our commitment to sustainability extends to our manufacturing processes as well. Our water strategy, which prioritizes actions in water-scarce areas and takes community and ecosystem needs into account, complements our energy efficiency, greenhouse gas and waste management targets and initiatives at our plants.

Our lean, green and flexible Michigan Assembly Plant is an example of how we are working on multiple fronts to transform our manufacturing facilities to be more sustainable. We invested \$550 million to convert the plant, which formerly built large SUVs, into a modern and flexible facility that builds some of the smallest and most fuel-efficient products in our lineup. In 2012, the Michigan Assembly Plant became the world's first facility capable of building vehicles with a full array of powertrains – gas-powered, electric, hybrid and plug-in hybrid – all on the same production line. This flexibility is important because it enables us to give customers the power of choice in selecting vehicles to fit their lifestyles, while also giving us the ability to adjust to meet that demand. The plant uses landfill gas and a solar photovoltaic array – one of the largest in Michigan – to cut greenhouse gas emissions and help us gain experience with battery storage of solar electricity.

We are leveraging this experience with sustainable manufacturing in our new facilities in Asia. Our plants under construction in China, for example, use flexible manufacturing, designed-in safety processes, and energy-, water- and waste-saving technologies that are among the most modern in the world.

In addition, we continue to lead efforts across our industry to support human rights in the automotive supply chain, including understanding how Conflict Minerals may be used in automotive products and how to identify and eliminate them. Our actions on human rights and environmental improvements are key elements of our continued commitment to implementation of the United Nations Global Compact.

Serving customers and delivering profitable growth for all of our shareholders begins with creating vehicles that offer best-in-class quality, fuel efficiency, safety, smart design and value. We are going further by committing to use resources responsibly, because efficient operations yield benefits economically, socially and environmentally. Indeed, going forward, the companies that are sustainable will continue to make products that people want and value, and they will do it using fewer resources and less time. Looking beyond our own operations, we are committed to bringing our knowledge, innovative potential and the power of our people to help solve global sustainability challenges ranging from mobility to climate change. By working together, we are contributing to a better world and a sustainable future for all.



Alan R. Mulally
President and Chief Executive Officer
June 2013



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“ While integration is a main feature of our sustainability strategy internally, outside our walls we seek collaboration within our industry, across industries and across sectors. It’s only through sharing, caring and trusting one another that we will grow ourselves, and lay the groundwork for generations to come.”



I have headed up Ford Motor Company’s Sustainability function for a little more than a year, but my tenure at the Company spans more than three decades. During this time, I have seen a genuine transformation as Ford integrated sustainability into its business plan, its products, its operations and its relationship with stakeholders. Although we have a Sustainability department, our biggest accomplishment is having employees from all business units and levels of the Company – including our officers – contribute to this transformation and advance our sustainability efforts through their own work.

It’s easy to assert that sustainability is integrated into the Company. It’s a little harder to demonstrate. We have extensive information about [sustainability integration](#) in the Governance section of this report, and the [summary of goals, commitments and status](#) provides insight into our direction on our most material issues. I’ll also call out a few examples of integration below.

- In Product Development, our cycle plan, which sets out the vehicles to be built over a five-year period, incorporates a variety of sustainability must-haves, including fuel economy sufficient to keep us on our [climate goal glidepath](#). Each new product also has a variety of targets around vehicle safety, sustainable materials and other attributes. While the improving fuel economy of our vehicles gets the most attention, we’ve had a number of accomplishments in other areas, too. The 2013 Ford Fusion, for example, uses recycled cotton to provide noise dampening; recycled plastic battery car casings for underbody components; and the equivalent of more than 30,000 soybeans in foam seat cushions, seat backs and head restraints.
- Our Purchasing department leads the implementation of our [Code of Human Rights, Basic Working Conditions and Corporate Responsibility](#) (Policy Letter 24) throughout our supply chain, which is much more challenging than implementing it in our own facilities. In 2012, for example, they worked with others in the industry to train 325 Ford suppliers. This department has also taken a proactive approach to reaching across organizational and industry boundaries to work toward an effective approach to eliminating [Conflict Minerals](#) and forced labor in the complex and interconnected automotive supply chain.
- Our Research and Innovation function is an important partner in identifying and quantifying our material sustainability issues. Ford scientists developed the intellectual basis for our science-based climate change strategy, as well as the [carbon dioxide model](#) that guides its implementation. Our researchers now play an equally important role in our [water strategy](#), helping to peer into the future to understand how increasing water scarcity will affect our operations, our markets and the communities in which we live and work – and how we can craft an effective response. Research and Innovation is also leading the implementation of our [Blueprint for Mobility](#), because mobility is an important issue shaping the future of markets for our vehicles.
- Ford has more than 100 years of commitment to community engagement. Our

sustainability and business priorities, including water, human rights and driving safety, guide our efforts in communities around the globe, and the [Ford Motor Company Fund](#) is an important partner in testing innovative solutions to global challenges.

- Our Human Resources department is also important to sustainability. We know that prospective employees care about a wide range of factors when evaluating opportunities, including a company's sustainability record and reputation. Our Human Resources function plays a vital role in communicating our commitment and aligning incentives with sustainability performance.

We often get questions about how we integrate sustainability with performance measurement and compensation. At Ford, we develop business plans in five-year increments and establish sustainability targets based on an analysis of external factors that could impact the business and available resources. Each business unit and function leader has accountability for meeting the targets. Progress is reviewed, generally weekly, at the highest level of the Company. So virtually every function has some accountability for sustainability performance.

In addition, each salaried Ford employee has individual metrics that are established with their supervisor; the metrics are based on the overall Company business plan, which includes sustainability targets. Because of the degree of integration at Ford, people in diverse functions have sustainability-related metrics, whether it's attaining a certain percentage of recycled and renewable content in a new vehicle, or engaging suppliers on sustainability issues. Progress is reviewed against the metrics at least twice a year, and performance relative to the metrics is an important factor in determining merit salary increases.

On the bonus compensation side, all salaried employees' bonuses are based on a single set of company objectives, which are mostly, but not entirely, financial metrics. Ford's financial health is one of the issues we've identified as most material from a sustainability point of view. For example, Ford's strong performance in North America in 2012 was due in part to the fact that many of our facilities are now operating at or near capacity. This is the profitability "sweet spot," but it also indicates environmental and social efficiency. For example, our per-vehicle performance on energy, water and waste has shown long-term improving trends. Nevertheless, we occasionally encounter situations where plants operate below capacity, which introduces inefficiencies. Factories that operate most efficiently offer the safest work environment and the most stable employment and long-term opportunities for employees.

Quality is another important issue that has sustainability implications. High-quality vehicles last longer, are more economical and create less waste over their lifetimes, so they clearly have sustainability advantages. At the same time, customers increasingly weigh sustainability actions in their views of quality. Over the last decade, we've established a record of strong and improving [quality performance](#), although we slipped in a few cases last year. We are working tirelessly to improve quality, even as we introduce new technologies and new vehicles at an ever-increasing rate.

While integration is a main feature of our sustainability strategy internally, outside our walls we seek collaboration within our industry, across industries and across sectors. Throughout this report you will find references to innovative partnerships. For example, we have taken a collaborative approach to developing sustainable materials to reduce costs and share the benefits. We are working with Coca-Cola, Nike, Procter & Gamble and Heinz on bio-plastics and with the Oak Ridge National Laboratory and Dow on carbon fiber. This kind of cooperation is vital to making progress on the many challenges we face. It's only through sharing, caring and trusting one another that we will grow ourselves, and lay the groundwork for generations to come.



Robert Brown
Vice President, Sustainability, Environment and Safety Engineering
June 2013



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Performance Summary

Below is a summary of our key performance data. Please also see the [Year in Review](#) for discussion of data parameters, as well as the data sections in the [Financial Health](#), [Climate Change and the Environment](#), [Supply Chain](#), [Water](#), [Vehicle Safety and Driver Assist Technologies](#), and [People](#) sections for additional indicators, five-year trends and notes on data assurance.

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Financial Health

	2010	2011	2012
Global Quality Research System "things gone wrong" (3 months in service), total "things gone wrong" per 1,000 vehicles ¹	1,140	1,447	1,373
Global Quality Research System customer satisfaction (3 months in service), percent satisfied ²	82	68	72
Sales satisfaction with dealer/retailer, Ford brand, U.S., net promoter score	84.0	85.0	87.0
Sales satisfaction with dealer/retailer, Ford brand, Europe, net promoter score	79.0	82.0	86.5
Service satisfaction with dealer/retailer, Ford brand, U.S., net promoter score	75.0	75.0	78.0
Service satisfaction with dealer/retailer, Ford brand, Europe, net promoter score	59.0	64.0	71.5
Shareholder return – Bloomberg total return analysis, percent	67.9	-36	23
Net income/loss, \$ billion	6.6	20.2	5.7
Sales and revenue, \$ billion	129	136	134.3

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Climate Change and the Environment

	2010	2011	2012
Ford U.S. fleet fuel economy, combined car and truck, miles per gallon (higher mpg reflects improvement)	26.9	27.8	30.0
Ford U.S. fleet CO ₂ emissions, combined car and truck, grams per mile (lower grams per mile reflects improvement)	329	318	297
Ford Europe CO ₂ tailpipe emissions per vehicle, grams per kilometer (based on production data for European markets)	128	130	129 ³
Worldwide facility energy consumption, billion kilowatt hours	16.1	15.5	14.0
Worldwide facility energy consumption per vehicle, kilowatt hours per vehicle	3,087	2,778	2,449
Worldwide facility CO ₂ emissions, million metric tons	5.2	5.1	5.1
Worldwide facility CO ₂ emissions per vehicle, metric tons	1.01	0.91	0.90

North American Energy Efficiency Index, percent (higher percentage reflects improvement)	14.4	2.6	6.4 ⁴
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Water

	2010	2011	2012
Global water use, million cubic meters	26.2	25.7	23.9
Global water use per vehicle produced, cubic meters	5.1	4.7	4.3

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Vehicle Safety and Driver Assist Technologies

	2010	2011	2012
U.S. safety recalls, number per calendar year (including legacy vehicles on the road for 10+ years)	7	13	24
U.S. units recalled, number of units (including legacy vehicles on the road for 10+ years)	551,000	3,339,000	1,399,000
IIHS Top Safety Picks by model year, percent of Ford Motor Company vehicles tested receiving the honor	n/a	52	75 ⁵

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Supply Chain

	2010	2011	2012
Number of individuals trained in working conditions requirements and sustainability management systems	2,149	2,414	2,760
Assessments to date ⁶	751	834	811
Training cascade to workforce, individuals trained	318,593	372,998	430,257

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People

	2010	2011	2012
Employee satisfaction, Pulse survey, overall, percent satisfied	68	69	71
Overall dealer attitude, Ford, relative ranking on a scale of 1–100 percent (winter/summer score)	83/85	84/82	84/83
Overall dealer attitude, Lincoln Mercury, relative ranking on a scale of 1–100 percent (winter/summer score)	71/62	61/64	68/67
Ford Motor Company Fund contributions, \$ million	19	20	21.6
Corporate contributions, \$ million	10	10	8.5
Volunteer Corps, thousand volunteer hours	112	110	115
Lost-time case rate (per 100 employees)			
Americas	0.8	0.9	0.8
Asia Pacific and Africa	0.1	0.1	0.1
Europe	0.3	0.3	0.4

1. The Global Quality Research System (GQRS) is a Ford-sponsored competitive research survey. The GQRS is a good indicator of other quality results. For the 2011 model year, we began reporting global GQRS TGW data. In previous years we had reported only North American region GQRS TGW data. In addition, we changed the GQRS survey to include additional questions on vehicle entertainment and information systems. Therefore, the 2011 results are not comparable to previous years.
2. The Global Quality Research System (GQRS) is a Ford-sponsored competitive research survey. The GQRS is a good indicator of other quality results. For the 2011 model year, we began reporting global GQRS Customer Satisfaction data. In previous years, we had reported only North American region GQRS Customer Satisfaction data. In addition, we changed the GQRS survey to include additional questions on vehicle entertainment and information systems. Therefore, 2011 results are not comparable to previous years.
3. This is preliminary data; official data from European Commission expected in November 2013.
4. The energy efficiency index is a normalized indicator of energy used per vehicle produced based on a calculation that adjusts for typical variances in weather and vehicle production. The Index is set at 100 for the baseline year to simplify tracking annual improvements. In 2012, we expanded our energy efficiency to include global energy use data. In previous years, it only included energy use at North American facilities. In 2012, we also reset the baseline year to 2011. A year 2000 baseline was used through 2006; the baseline was reset to year 2010 starting in 2011. The year 2012 improvement indexed against the year 2011 baseline was 6.4, indicating a 6.4 percent improvement in global energy efficiency per vehicle from 2011 to 2012. Higher percentage reflects improvement.
5. In 2013, this figure rose to 93 percent.
6. Prior-year 'Assessments completed to date' figures reflect calculation errors in deriving totals. These errors have been corrected for 2012; however, certain figures may be slightly lower than in prior years due to the calculation corrections.



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Ford's Goals, Commitments and Status

This table summarizes Ford's goals, commitments, targets and progress in our material issue areas and other important performance areas. Please see the data sections for our complete data reporting and data notes.

KEY On Track In Process Not on Track New goal

Financial Health	Climate Change and the Environment	Water	Vehicle Safety	Supply Chain	Health and Safety
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Financial Health

Goal/Commitment	2012 Progress	On Track?
Execute our "ONE Ford" transformational plan to create a leaner, more-efficient global enterprise.	Continued to strengthen our balance sheet, with 2012 concluding as one of our most profitable years ever in North America. Related Links: » Data: Worldwide Taxes Paid » Current Financial Health	
Achieve profitability in 2012.	Reported total Company full-year, pre-tax profit of \$8 billion – our third year in a row of \$8 billion or more in pre-tax profits. In 2012, had our highest total Company fourth quarter pre-tax profit in more than a decade. Earned back our investment grade rating from the second of three major ratings agencies. Related Links: » Data: Worldwide Taxes Paid » Current Financial Health	
Align capacity to demand.	Continued to globalize vehicle platforms that can be adapted to meet specific regional needs and to produce the vehicles that customers want. Began executing our European Transformation Plan to increase cost efficiencies and address manufacturing overcapacity. Related Links: » Current Financial Health	
Reverse the trend of losing money on small-car production in the U.S.	Continued to boost production of smaller-sized vehicles in North America. Continued to maintain lean cost structure. Enhanced revenues through class-leading fuel economy, safety performance and quality. Related Links: » Current Financial Health	
Set new goals under "Blueprint for Mobility" in early 2012.	In this Blueprint, defined the start of our thinking about what transportation will look like in 2025 and beyond, and identified the types of technologies, business models and partnerships needed to get us there. Related Links: » Our Blueprint for Mobility	

Climate Change and the Environment

Goal/Commitment	2012 Progress	On Track?
Climate Change – Products		
Do our share to stabilize carbon dioxide (CO ₂) concentrations in the atmosphere at 450 ppm, the level generally accepted as that which avoids the most serious effects of climate change.	<p>Reduced fleet-average CO₂ emissions of U.S. vehicles by 15 percent from the 2007 to the 2012 model years. Reduced fleet-average CO₂ emissions of European vehicles by 15.5 percent from the 2007 to 2012 calendar years. ¹</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: Fuel Economy and CO₂ Emissions » Vehicle – Results 	
Ensure that every all-new or redesigned vehicle we introduce will be best in class or among the best in class for fuel economy in its segment.	<p>Followed through on this commitment with vehicles introduced in all our regions, and will continue to do so in future product launches.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Vehicle – Results 	
Climate Change – Manufacturing		
Reduce global facility CO ₂ emissions per vehicle by 30 percent by 2025 compared to a 2010 baseline.	<p>Reduced 2012 CO₂ emissions by 1 percent per vehicle compared to 2011.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: Worldwide Facility CO₂ Emissions per Vehicle » Operational Energy and Greenhouse Gas Emissions – Performance 	
Reduce facility energy use per vehicle globally by 25 percent between 2011 and 2016, adjusted for weather and production.	<p>Improved energy efficiency by 6.4 percent compared to 2011, normalized for weather and production levels.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: Worldwide Facility CO₂ Emissions per Vehicle » Operational Energy and Greenhouse Gas Emissions – Performance 	
Environment – Products		
<p>Increase the use of recycled, renewable and lightweight materials.</p> <p>Use soy foam seat cushions and backs on 100 percent of Ford vehicles manufactured in North America.</p> <p>Use at least 25 percent recycled content in seat fabrics on all new and redesigned vehicles sold in North America.</p>	<p>Since 2011, all vehicles produced in North America have soy foam seating.</p> <p>Expanded use of recycled-content fabrics for seats and headliners.</p> <p>Continued to develop sustainable materials strategy requiring recycled plastics and textile materials for many applications globally. Continued to implement strategic principles for expanding the use of recycled and renewable materials that seek to reduce total lifecycle impacts.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Choosing More Sustainable Materials 	
Increase the use of allergy-tested and air-quality-friendly interior materials.	<p>Continued to implement specification for low-emissions and allergy-free materials, which is being migrated across product lines.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Improving Vehicle Interior Environmental Quality and Choosing Allergy-Tested Materials 	
Environment – Manufacturing		
Reduce water use.	(See Water section of Goals Table.)	
Reduce CO ₂ emissions.	(See Climate Change section of Goals Table.)	
Reduce waste sent to landfill by 40 percent on a per-vehicle basis between 2011 and 2016 globally.	<p>Reduced landfill disposal in 2012 by more than 19 percent per vehicle compared to 2011.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: Waste to Landfill per Vehicle » Waste Management 	
Maintain volatile organic compound (VOC) emissions from painting at North American assembly plants at 23 grams/square meter or less.	<p>Achieved 2012 VOC emissions at North American assembly plants of 18 grams/square meter.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: North America Volatile Organic Compounds Released by Assembly Facilities » Non-CO₂, Facility-Related Emissions 	

1. These results are based on preliminary data. The final 2012 calendar-year fleet-wide CO₂ emissions data for our European fleet will be available in November 2013. For all years, these data do not include Volvo.

Water

Goal/Commitment	2012 Progress	On Track?
Cut the amount of water used to make each vehicle by 30 percent globally by 2015, compared to 2009.	<p>Reduced water use per vehicle by 8.5 percent from 2011 to 2012.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: Water » Progress in Reducing Water Use 	

Vehicle Safety

Goal/Commitment	2012 Progress	On Track?
Design and manufacture vehicles that achieve high levels of performance in real-world safety and in government- and non-profit-sponsored crash testing and offer innovative safety and driver-assist technologies.	<p>Remained among the global leaders in vehicle safety. To date, Ford Motor Company has earned a total of 91 "Top Safety Picks" from the Insurance Institute for Highway Safety (IIHS) – more than any other manufacturer in the eight-year history of that crash testing program. ¹ Also, 93 percent of 2013 model year Ford Motor Company vehicle nameplates tested were named IIHS Top Safety Picks.</p> <p>For the 2013 model year, earned the highest possible Overall Vehicle Score of five stars for seven Ford Motor Company vehicles in the New Car Assessment Program (NCAP) of the U.S. National Highway Traffic Safety Administration.</p> <p>In the 2012 Euro NCAP assessments, received Euro NCAP's Best in Class recognition for the Ford B-MAX, Kuga and Transit, for having the highest safety performance scores in their vehicle segments.</p> <p>Earned an industry-leading total of seven Euro NCAP Advanced rewards for our Lane Keeping Aid, Active City Stop, Forward Alert, Lane Keeping Alert, MyKey®, Emergency Assistance and Driver Alert technologies.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: Vehicle » Highlights 	
Meet or exceed all regulatory requirements for safety.	<p>Continue to meet this goal every year. Ford's internal Safety Design Guidelines and other internal standards go beyond stringent regulatory requirements. Ford often establishes internal standards on emerging issues long before public domain or regulatory standards are adopted.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » How We Manage Vehicle Safety 	
Provide information, educational programs and advanced technologies to assist in promoting safe driving practices.	<p>Continued to invest in Ford Driving Skills for Life (DSFL), focusing on teen drivers in the U.S. and first-time drivers of all ages in Asia Pacific and Africa. In 2012 in the U.S., visited more than 175 high schools in ten states and Puerto Rico, where we held assemblies, safe driving activities and hands-on training. In Asia Pacific and Africa, have trained more than 63,000 people since the program's inception. Continued to offer the MyKey® system, allowing parents to program a key for their teenagers that can limit certain features (such as maximum speed and audio volume), lock out the radio when the safety belt is not buckled and invoke a Do Not Disturb feature, sending incoming phone calls and text messages to a synced phone's mailbox. MyKey® is available on nearly all Ford Motor Company retail vehicles in North America, and its availability is expanding to other regions.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Encouraging Safer Driving 	
Play a leadership role in vehicle safety research and innovation.	<p>Continued to collaborate with other automotive companies on precompetitive safety projects to enhance the safety of the driving experience and develop future technologies, such as through the U.S. Council for Automotive Research. Also, supported research at the National Science Foundation's Center for Child Injury Prevention Studies. And, continued to collaborate with university partners on a wide range of research projects, including research into advanced safety technologies. Through our University Research Program (URP), focused on innovations with near- and mid-term implementation potential. In 2012, awarded 20 new URP grants to 18 universities around the globe.</p>	

	<p>Related Links:</p> <ul style="list-style-type: none"> » Collaborative Efforts 	
<p>Play a leadership role in research and development relating to “connected vehicles.”</p>	<p>Took part in collaborative, active-safety research in Europe known as Safe Intelligent Mobility – Test Field Germany (simTD) to investigate vehicle-to-vehicle and vehicle-to-infrastructure communications in a large-scale field operational test. Contributed to the European harmonization and standardization of wireless communication systems and applications within the framework of the DRIVING implementation and Evaluation of C2X communication technology (DRIVE C2X). Also, continued to take part in collaborative research in the U.S. via the Crash Avoidance Metrics Partnership (CAMP) and Vehicle Infrastructure Integration Consortium (VIIC).</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Case Study: Connected Vehicles 	✓
<p>1. Historic totals include all brands and entities owned and controlled by the manufacturer during the 2006–2013 calendar years. For Ford Motor Company, this includes Ford and Lincoln, as well as Mercury (through the 2011 model year) and Volvo (through the 2010 model year). Totals do not include Mazda.</p>		

Supply Chain

Goal/Commitment	2012 Progress	On Track?
<p>Encourage key production suppliers to: introduce codes of conduct aligned with international standards and Ford's Code of Human Rights, Basic Working Conditions and Corporate Responsibility; develop robust management and compliance systems to support their codes; and extend these expectations to their own suppliers.</p>	<p>More than 80 percent of our Production Aligned Business Framework (ABF) suppliers have demonstrated that they have codes of conduct in place that are aligned with international standards.</p> <p>Thirty-five percent of our ABF suppliers have demonstrated that they have met all three Ford milestones – that is, they have aligned codes of conduct in place supported by robust management systems governing their own operations and their supply chain.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Going Further with Our ABF suppliers 	✓
<p>Help suppliers build their capacity to manage supply chain sustainability issues through factory-level and management training on working conditions, human rights, ethical business practices and environmental responsibility; require participating suppliers to cascade training information to their own employees and suppliers.</p>	<p>In 2012, trained more than 325 Ford suppliers in Argentina, China, Mexico, Russia, Thailand, Turkey and Venezuela through joint industry trainings coordinated through the Automotive Industry Action Group (AIAG). The global total of Ford suppliers trained since program inception is nearly 2,100.¹</p> <p>By having training cascaded by participating suppliers, have impacted more than 2,700 supplier representatives, 25,000 supplier managers, more than 430,000 individual workers, and nearly 85,000 sub-tier supplier companies since the program's inception.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Building Supplier Capability through Localized Training and Collaboration » Data: Working Conditions Training and Assessment Status for Supply Chain 	✓
<p>Assess Tier 1 suppliers for compliance with local laws and Ford's supply chain sustainability expectations.</p>	<p>Since 2003, have conducted more than 800² third-party audits of existing and prospective Tier 1 suppliers in 20 countries.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Assessing Suppliers » Data: Working Conditions Training and Assessment Status for Supply Chain 	✓
<p>Work collaboratively across the industry to facilitate development of an industry-wide approach to key supply chain sustainability issues, including working conditions, human rights and raw materials sustainability.</p>	<p>Serve as an active member of the AIAG, the auto industry's primary organization for supply chain issues. Chair three AIAG work groups: chemicals management and reporting, greenhouse gases, and environmental performance metrics. Serve as founding member of the UN Global Compact Advisory Group on Supply Chain Sustainability. Also, helped found the CSR Europe Automotive Working Group on Supply Chain Sustainability in 2013.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Industry and Cross-Industry Collaboration 	✓
<p>Better understand the carbon footprint of Ford's supply chain to inform the development of a broad-based carbon management approach for our supply chain.</p>	<p>Surveyed 135 suppliers in 2012 (up from 128 in 2011 and 35 in 2010) regarding greenhouse gas emissions, and achieved a 92 percent voluntary response rate.</p>	➔

	<p>Related Links:</p> <ul style="list-style-type: none"> » Supplier Greenhouse Gas Emissions 	
Source at least 10 percent of U.S. purchases from minority- and women-owned businesses annually.	<p>Purchased \$5.7 billion in goods and services from approximately 250 minority-owned suppliers and \$1.2 billion in goods and services from more than 150 women-owned businesses, our third-consecutive year of improvement.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Supplier Diversity Development » Data: Supply Chain 	
<p>1. This figure includes suppliers trained in Ford-led and joint industry trainings. 2. Figure corrected from 2011 due to classification errors.</p>		

Health and Safety

Goal/Commitment	2012 Progress	On Track?
Safety		
Fatalities target is always zero.	<p>In 2012, for the second time in Ford's history, did not have an employee work-related fatality during the calendar year. Tragically, however, we experienced a fatality at one of our joint venture operations in Thailand.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: Workplace Safety » Our 2012 Safety Record 	
Serious injuries target is zero; overall goal is to attain industry competitive lost-time and DART levels and drive continuous improvement; specific targets are set by business units yearly for five years into the future.	<p>A major safety indicator – the lost-time case rate – was at .51, a 10 percent improvement from 2011's rate of 0.57. We experienced 139 serious injuries among our direct employees, compared to 143 the previous year.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Data: Workplace Safety » Our 2012 Safety Record 	
Health		
Maintain or improve employee personal health status through participation in health risk appraisal and health promotion programs.	<p>Had active personal health promotion programs in place in most regions. Deployed common global metrics and developed plans to implement them in remaining countries. Employee participation in health-risk appraisals is a core component of U.S. health benefit program and we are exceeding targets for employee participation goal.</p> <p>Related Links:</p> <ul style="list-style-type: none"> » Health as a Strategic Advantage 	



Go Further

Sustainability 2012/13

YEAR IN REVIEW	OUR BLUEPRINT FOR SUSTAINABILITY	FINANCIAL HEALTH	CLIMATE CHANGE AND THE ENVIRONMENT	WATER	VEHICLE SAFETY	SUPPLY CHAIN	PEOPLE	FORD AROUND THE WORLD

Year in Review

- Letter from William Clay Ford, Jr.
- Letter from Alan Mulally
- Letter from Robert Brown
- Performance Summary
- Ford's Goals, Commitments and Status
- Map of Our Year**
- Assurance

Map of Our Year

Our Sustainability Journey
Click on the signs to see Ford's sustainability-related highlights for 2012

January

Improved Profits

Reported a full-year, pre-tax operating profit of \$8.8 billion for 2011. Ford has posted a pre-tax operating profit for 10 consecutive quarters.

Brand Promise

Ushered in a new global brand promise: "Go Further."

Groundbreaking Vehicle

Garnered the "Best in Show" award at the North American International Auto Show for the new 2013 Ford Fusion. The Fusion demonstrates our globalized approach to making all forms of the vehicle on the same assembly line.

Mobility Research

Announced plans to open a dedicated research lab in California's Silicon Valley as part of a commitment to make technology affordable for millions.

MyFord Mobile®

At the 2012 International Consumer Electronics Show, showcased the beta version and new social networking components of the MyFord Mobile® app on the new Focus Electric for the first time.

February

Mobility Blueprint

Outlined a new Blueprint for Mobility, which sets near-, mid- and long-term goals for solutions to the changing transportation landscape.

Human Rights Code

Revised and renamed Policy Letter 24, now the Code of Human Rights, Basic Working Conditions and Corporate Responsibility.

Addressing Health in India

Kicked off a program in Tamil Nadu, India, that uses our vehicles and connected technologies to address critical social needs, such as health care.

Climate Leadership

In 2012, Ford was the only automaker to receive a Climate Leaders Award, from the U.S. Environmental Protection Agency (EPA).

March

Ethics Award

Honored for the third year in a row by the Ethisphere Institute as one of the World's 100 Most Ethical Companies.

Human Rights Honor

Ranked #1 in the Human Rights category in *Corporate Responsibility Officer* magazine's 100 Best Corporate Citizens list for the second year in a row.

Ford Focus Electric

Obtained an official EPA fuel economy rating of 105 mpg-e combined city and highway for the Ford Focus Electric, making it the most fuel-efficient five-passenger vehicle available in the U.S.

Job Growth

In the past five years, doubled the size of our team working on fuel-saving technologies globally, including hiring dozens of engineers. We are converting one of our largest labs to centralize hybrid and electrification programs in order to provide the best fuel efficiency for our customers.

April

Expansion in China

Announced a \$600 million expansion in Chongqing and a new \$760 million plant in Hangzhou, to double passenger car production capacity by mid-decade.

Eco-Documentary Series

Together with the cultural media platform SHFT.com, revealed the first films in a new documentary series that profiles leading eco-entrepreneurs and innovators who are transforming industries with groundbreaking sustainability solutions.

Small, Efficient Engines

Began offering an industry-leading seven vehicles with the smallest engines in their segment. When talking about engines, bigger is no longer necessarily better. Buyers want superior fuel efficiency without sacrificing performance, which is where Ford's EcoBoost® engines fit in.

May

Focus Electric

Certified 67 Ford dealers to sell the Company's first all-electric car – the Focus Electric. The dealers are located in California, New York and New Jersey – markets that account for a large percentage of electrified vehicle sales.

The Blue Oval Rises

More than 1,000 Ford employees recreated the iconic Blue Oval in human form at World Headquarters in Dearborn, Mich. They were celebrating a milestone, as Moody's upgraded the Company to investment-grade status, allowing Ford to reclaim the assets it mortgaged in 2006, including the Blue Oval, to finance its turnaround plan.

Driver Assist Technologies

Saw the all-new 2013 Ford Fusion leapfrog Toyota Camry and Honda Accord with a suite of active driver assist technologies usually found only in luxury cars. A package of radar, ultrasonic, optical and motion sensors adds a new level of convenience for customers.

Environmental Volunteers

Provided more than \$110,000 in grants to community organizations to purchase tools and supplies to complete environmentally focused projects in nine states. More than 700 Ford volunteers went to work digging, chopping and hammering to complete these community projects.

Fuel-Efficient Small SUV

Saw the new Ford Escape certified by the U.S. Environmental Protection Agency (EPA) as the most fuel-efficient small SUV with an automatic transmission. The Escape's 1.6-liter EcoBoost® engine is certified at 33 mpg – 5 mpg better than the Toyota RAV4.

June

MyFord Mobile® iPhone App

Made available the MyFord Mobile® iPhone app to drivers of the new 2012 Ford Focus Electric. The app includes value charging information, a trip planner and a public charger location database, as well as a cellular connection to the Focus Electric via an embedded cellular modem.

Computer History Museum

Had Ford SYNC® inducted into the permanent collection of the Computer History Museum in Mountain View, Calif. Ford's name now sits alongside such luminaries as Microsoft, IBM, Cray, Apple and Google.

International Engine of the Year

Earned the 2012 "International Engine of the Year" award for our new 1.0-liter EcoBoost® engine, which launched to acclaim on the Ford Focus in Europe. The award is determined based on votes cast by 76 journalists from 35 countries around the world.

Operations Energy Reductions

Announced in our 13th annual Sustainability Report that we had reduced per-vehicle energy use in our global manufacturing facilities by 22 percent in the last six years. Also, announced plans to reduce per-vehicle energy usage by another 25 percent by 2016.

Mobility-Related Technologies

Announced that we are researching and developing intelligent driving technologies designed to help address traffic jams and other future mobility challenges that come with rapid urbanization and population growth around the world.

July

A Robot with Feelings

Showcased the talents of RUTH the robot. The Robotized Unit for Tactility and Haptics (RUTH) machine can replicate human motion and "sense" the feel and fit of a vehicle's interior. Through RUTH, for example, Ford knows its 2013 Fusion has the feel of interior quality that customers want.

Feeding the Hungry

Together with the hunger-relief organization Feeding America, enabled participants in the U.S. to host events for the 2013 Ford Escape Hunger Drive. Guests were able to drive, ride in or walk around the all-new Escape. In turn, Ford provided 40 meals per guest to people at risk of hunger.

Sales Milestones

Saw the Ford Fusion exceed its best-ever July sales record, with 23,326 vehicles sold. Also, Ford Mustang sales in the U.S. increased 8 percent versus last year, with 7,371 vehicles sold, representing its third-straight month of sales gains. Meanwhile, Ford Explorer sales totaled 11,313 vehicles in July – its best-ever July sales result since 2006.

Helping Disaster Victims

Donated \$50,000 to the American Red Cross and its chapters to assist with disaster relief in the wake of severe weather. In Colorado, the funds were used by Red Cross chapters to assist with relief efforts associated with the wildfires in that state. Ultimately, matching employee donations increased total contributions.

August

Global Ford EcoBoost®

Highlighted Ford's latest engine technology – the EcoBoost® engine – through unique livery on select racing cars around the world. ("Livery" refers to the decals and logos applied to a racecar, to indicate its team sponsorship.)

Electrification

Announced that we are adding new green jobs, doubling our battery-testing capabilities and speeding electrified vehicles to market by at least 25 percent. With more than 1,000 engineers working on electrification and a newly dedicated Advanced Electrification Center, we are creating even more fuel-efficient vehicle choices for our customers.

Top-Speed Electric Vehicle

Announced that Ford C-MAX Energi plug-in hybrid drivers enjoy the industry's top electric-only speed among all plug-in hybrid vehicles – 85 mph. Topping the Toyota Prius plug-in's top EV-only speed by more than 20 mph, C-MAX Energi can easily keep pace with the flow of traffic.

Drive 4 UR Community

Together with our dealers, launched a new program called Drive 4 UR Community, which is designed to help raise much-needed funding for local community groups and nonprofit organizations.

September

Record Sales

Set an all-time sales record in China, with passenger car sales increasing by 54 percent and total sales increasing by 35 percent compared to September 2011.

Our 350 Millionth Vehicle

Celebrated our 350 millionth vehicle – a Ford Focus, which was the world's bestselling car in the first half of 2012. This milestone Focus was produced at our newest global manufacturing facility in Rayong, Thailand, about 120 miles southeast of Bangkok.

Rare Earth Metals

Announced that the lithium ion batteries in Ford's new generation of electrified vehicles are expected to reduce the use of rare earth metals by up to 500,000 pounds a year, compared to nickel metal hydride batteries. The lithium ion batteries are also more powerful and result in better fuel efficiency.

Guinness World Records®

Set a Guinness World Records® achievement by holding the world's largest game of "Red Light – Green Light." In a celebration at Ford's Dearborn World Headquarters – part of a five-city U.S. launch of the new Ford Fusion – 451 employees played the game to showcase the Auto Start-Stop feature on the 1.6-liter EcoBoost® Fusion.

October

EcoBoost® Engine

Honored with a Breakthrough Award from *Popular Mechanics* magazine for our innovative 1.0-liter EcoBoost® engine. Available now in Europe on the Ford Focus, this three-cylinder engine will soon be offered globally.

Restructuring European Manufacturing Operations

Announced a proposal to restructure our Europe manufacturing operations as part of our comprehensive plan to respond to structural market changes and deliver profitable growth in the region.

Warriors in Pink® Documentary

Unveiled the first-ever documentary by Warriors in Pink®, the Ford program that raises awareness and funds in the fight against breast cancer. With this documentary, Warriors in Pink hopes to create a powerful and inspiring resource to all who have been touched by the disease.

Supplier Diversity Award

Named Corporation of the Year by the Michigan Minority Supplier Development Council. Ford is the first automaker to garner this award for three consecutive years.

Ford Driving Skills for Life

During National Teen Driver Safety Week, introduced an online video game patterned after Ford Driving Skills for Life's award-winning driving exercises. Ford Driving Skills for Life is our flagship driver education program.

November

Transit Connect Wagon

Introduced the first seven-passenger people mover – the all-new Transit Connect Wagon – expected to break the 30+ mpg barrier. The Transit Connect Wagon drives like a car, has the flexibility of a utility and can haul the payload of a pickup truck.

Car of the Year

Honored with the first "Car of the Year" award ever bestowed by *Popular Mechanics* magazine, for the Ford Escape. Reviewers write: "The driving experience feels like it's two full generational leaps ahead of the old Escape."

Making History

Started production of the Ford C-MAX Energi plug-in hybrid at our Michigan Assembly Plant (MAP), making MAP the only manufacturing site in the world to build vehicles with five different fuel-efficient powertrains on the same line, and the only one to build four vehicles that deliver 40 mpg or more in real-world driving.

Lincoln, Reinvented

At the Los Angeles Auto Show, celebrated the heritage of Lincoln and looked to its future. Seven vintage Lincolns, each selected for their historical significance, were on display at the show. The all-new MKZ premium midsize sedan was also unveiled at the show, signaling the brand's reinvention.

December

Oldest Ford Vehicle

The oldest surviving Ford production car, a 1903 Model A, purchased at auction by Bill Ford. The car was unveiled as part of an employee event to kick off the 150th anniversary celebration of Henry Ford's birth.

Ford Thailand

In Thailand, saw strong sales across the Ford lineup drive the Company's full-year retail sales in 2012, up an extraordinary 88 percent from a year ago to 54,865 units – representing Ford Thailand's all-time best annual performance and making Ford one of the fastest-growing automotive brands in the country.

Fourth-Quarter Profits

Announced our highest total Company fourth-quarter pre-tax profit in more than a decade.



Go Further

Sustainability 2012/13



YEAR IN REVIEW



OUR BLUEPRINT FOR SUSTAINABILITY



FINANCIAL HEALTH



CLIMATE CHANGE AND THE ENVIRONMENT



WATER



VEHICLE SAFETY



SUPPLY CHAIN



PEOPLE



FORD AROUND THE WORLD

Year in Review

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Assurance

For this Sustainability Report and our previous six reports, Ceres convened Stakeholder Committees to advise us. Ceres leads a national coalition of investors, environmental organizations and other public interest groups working with companies to address sustainability challenges. Ford agreed to work with a stakeholder team that was selected for us by Ceres. The Ceres Stakeholder Committee that was convened 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.

The Committee reviewed past reports, the outline for the 2012/13 Sustainability Report and a draft of the updated materiality analysis, which is included in this report. The Committee met once by teleconference, and some members provided input to Ceres outside of the meeting.

The Committee provided a range of suggestions to improve Ford's reporting and materiality analysis. Major points of feedback and Ford's responses are shown below.¹

Reporting Recommendations	Response
Climate change and renewable energy: Climate change remains the most important sustainability issue for Ford. Ford has made progress addressing the climate impacts of its products and operations, but has the opportunity to "go further." Specifically, the group looks to Ford to commit to aggressively improving the fuel economy of its fleet across the globe, not just in North America and Europe. To minimize the impact of its operations, Ford should set an absolute greenhouse gas reduction goal and commit to sourcing more renewable energy.	Ford's climate goal is an absolute, global goal that takes into account both products and facilities and is based on contributing to climate stabilization, as described on the Climate Change section landing page and the section on Ford's Science-Based CO2 Targets . We have implemented renewable energy projects as opportunities have presented themselves, but we do not have a specific target for renewable energy generation or sourcing at this point.
Water: Stakeholders are pleased that water is one of Ford's top priority areas, and appreciate Ford's recognition of the human right to water. The group also supports Ford's approach to move "beyond the fence line," and encourages the Company to communicate how it integrates water into everyday business decisions.	In this year's Sustainability Report, we have continued to expand the coverage of our evolving water strategy and the steps we are taking to analyze risks and use water efficiently everywhere we operate. The report also continues to highlight the investments we make in water stewardship projects in the communities where we have facilities.
Managing the impact of a growing business: Ford's turnaround in the last five years is impressive, as are its global growth plans for the near future in China and India. The group would like Ford to communicate how it is ensuring that it will manage environmental and social risks associated with increasing operations in Asia, as well as continue to communicate how it is addressing the implications of aggregate growth around the globe (not just Ford's growth) and the pressures it will put on the environment.	Our climate and water strategies take into account the overall growth in the market for cars and light trucks. Our work in mobility explores the constraints on growth in private ownership of automobiles and new models of meeting human needs for mobility. This year's report includes an expanded discussion of our operations in China.
Public policy: Public policy can help address the enormous environmental and social challenges facing Ford and society at large. The group looks to Ford to advocate for policies that help address climate, energy and human rights issues; to provide greater disclosure of participation in industry associations; and to use its influence within trade associations to ensure they are not opposing important sustainability legislation.	Ford is very engaged in public policy discussions in a variety of venues and forums (see the Public Policy section). Our culture is to work within channels to achieve ends that are consistent with our public values and with our sustainability priorities, including climate change, water, human rights and healthy communities.
Communicating to investors: Capital markets can be a powerful force for sustainable development, but that depends on the allocation of capital to companies and projects that minimize environmental impact and seize opportunities to create broad stakeholder value. Ford should continue to look for opportunities to demonstrate to the investor community how its sustainability work is creating that value – for instance by including key environmental, social and governance metrics in its 10-K and other investor communications.	This Sustainability Report is our main vehicle for communicating the business value of our sustainability strategy and performance. We have included a section on financial performance in our Sustainability Report for the past eight years and outline the business benefits of addressing each of our material issues. The 2012 Ford Annual Report, online for the first time, includes a section on "Better World", which highlights several of our key areas of sustainability focus. For the launch of this report, our chief financial officer and our global director, Sustainability and Vehicle Environmental Matters, conducted a briefing on highlights of the report for investors and other interested stakeholders.
Goals, targets and performance data: The group recognizes Ford for setting water and waste goals over the last year, and encourages the Company to consider setting more aggressive goals in areas where goals currently exist, and new goals where there are	We have a range of goals related to supply chain sustainability. For example, we encourage all of our key production suppliers to introduce codes of conduct aligned with international standards and Ford's Code of Human Rights, Basic Working Conditions and Corporate

currently none. Goals should be time-bound, covering the near, medium and long terms, be specific and measurable. In particular, the group would like to see more goals demonstrating Ford's commitment to diversity and developing a sustainable supply chain. Finally, Ford should increase disclosure of year-on-year trend data in these areas.	Responsibility; to develop robust management and compliance systems to support their codes; and to extend these expectations to their own suppliers. We also have goals to increase supplier training and assessments, and to understand our suppliers' carbon footprints. We are working with the Automotive Industry Action Group to be able to provide year-over-year progress reporting of supplier training data in a consistent format. In addition, each year we set specific numeric targets for spending with minority- and women-owned suppliers.
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Materiality Analysis Recommendations	Response
Materiality context: Stakeholders recommended that Ford provide additional detail on the issues in the upper-right section of the materiality matrix to more clearly define its top-priority issues. Also, a brief description of how "Impact on Ford" (one of the axes on the materiality matrix) is defined would be useful.	We encourage report users to click through the interactive materiality matrix online for more detail on how the upper-right issues are defined, which stakeholders are most concerned with them and how each issue has changed in importance. We have added language to better define "impact on Ford." That language can be found in the overview of analysis section .
Energy resources and other large-scale resource challenges: Consider including a new category for "energy resources" in the materiality matrix. The questions of whether there is enough fuel for future sales growth, what sort of fuel that might be, and what its wider system impacts are, are major strategic issues facing Ford and all automotive manufacturers. While Ford is already taking action in this space, it should be represented in the materiality matrix.	We agree that these are critical strategic trends. Ford is monitoring energy and resources challenges and incorporating insights from that monitoring into our overall sustainability strategy, our water strategy and our low-carbon strategy (represented on the materiality matrix). The low-carbon strategy, in turn, drives our Sustainable Technologies and Alternative Fuels Plan , which is discussed in detail in this report.
Workplace issues: Employee survey results indicate employee satisfaction was 69 percent (up from 62 percent in 2009) – a good trend, but still leaving room for improvement. In spite of high unemployment, there is fierce competition to attract and retain the best and the brightest engineering talent. As such, and given Ford's plans to hire more engineers in the U.S., workplace issues inclusive of health and safety, morale and teamwork should be a higher priority for the Company.	The issues of employee morale and workplace health and safety are already ranked among those of highest priority for Ford. In this report, we have expanded coverage of employee issues, including more detailed discussion of employee surveys and our Company's first survey of hourly employees on health and safety, among other topics. We also provide more detail on leadership development and on programs we're implementing to develop the workforce of the future .
Public policy: In the U.S., there are numerous issues being publicly debated that will impact Ford's business and ability to meet its sustainability commitments (e.g., for renewable energy). Therefore, stakeholders feel that engagement on these issues should be considered a high priority.	The public policy issue of greenhouse gas/fuel economy regulation has been a top priority of both Ford and stakeholders for several years. Our update to the materiality analysis initially suggested that the issue had declined in importance to stakeholders but this input from the Committee confirmed that it should remain in the upper-right portion of the materiality matrix.
Supply chain sustainability: Supply chain sustainability (including resiliency) is becoming a more prominent topic of conversation in boardrooms and executive offices and with investors. The issue is of higher concern than is reflected in the matrix and will likely increase in importance in the years to come.	In this year's analysis, we added the issue of "identifying and managing sustainability-related supply chain risks" to make more explicit an issue that had been implicit in our approach to human rights, environmental performance and conflict minerals. This issue could become even more important in the future, and we will monitor it and consider whether it should be moved to the upper-right section of the matrix.
Ethical business practices: Ford is expanding operations in regions of the world known for significant corruption. Stakeholders recognize Ford has a strong anti-bribery policy, good tools and a robust compliance process in place to address potential corruption, but seek more specific disclosure on what the Company is doing to ensure it is managing the challenges associated with expansion in China and India.	We agree that this issue is increasing in importance for global companies and will consider whether it should move up in importance to stakeholders in future analyses. We have expanded the discussion of anti-corruption and anti-bribery in this year's report in the Governance section.
"Shareholders concerns": The necessity of the category "shareholders concerns/resolutions" is debatable, as each shareholder resolution is likely captured by the issue to which it is related.	We encourage Report users to click through in the matrix for a definition of which stakeholder concerns are represented by the "stakeholder concerns" issue.

Other Committee recommendations will be considered for future reporting.

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. In 2011, Ford became a Climate-Registered member of The Climate Registry. All of Ford's North American GHG emissions are now also verified under The Climate Registry. The Climate Registry is a nonprofit collaboration among North American states, provinces, territories and Native Sovereign Nations that sets consistent and transparent standards to calculate, verify and publicly report GHG emissions into a single registry. In addition, all emissions data covered by the EU Emission Trading Scheme (EU-ETS) and voluntary UK Climate Change Agreements are third-party verified. All EU-ETS verification statements are provided to Ford by facility from the BSI for UK facilities, Lloyds for Spain and the Flemish Verification Office for Belgium. North American facilities are verified against the Climate Registry's General Reporting Protocol. European facilities are verified against the EU-ETS rules and guidelines.
- Ford voluntarily reports facility CO₂ emissions to national emissions registries or other authorities in Argentina, Australia, Brazil, Canada, China, the Philippines, Taiwan and the U.S.

- Various environmental data are reported to regulatory authorities.
- Ford's facility environmental data are managed using our Global Emissions Manager database, 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.

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1. This synopsis draws from a summary of the stakeholder engagement process prepared by Ceres; however, it does not cover every point raised and was not reviewed by the participating stakeholders.