



The Climate Change Challenge

Doing our part to combat climate change is a key priority for Ford.



Delivering Our Electrification Plans

Making electric vehicles even more capable, affordable and appealing.



Good Decisions Behind the Wheel

Helping drivers stay focused, connected and safe.

Ford

Creating a Future Where Everyone Moves Better

More sustainable cities with smarter forms of mobility are at the heart of Ford's vision.



Sustainability covers a broad range of our impacts. This review provides an insight into key areas in 2016/17, from climate change to future mobility.

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Contributing to a better world has always been a core value at Ford, and our commitment to sustainability is a key part of who we are. Our vision is to create an even more dynamic and vibrant company that improves people's lives around the world and creates value for all of our stakeholders."

William Clay Ford, Jr.,
Executive Chairman,
Ford Motor Company

Jim Hackett,
President and Chief Executive Officer,
Ford Motor Company

The Climate Change CHALLENGE

Climate change is having a significant impact on the planet. Ford continues to be committed to doing its share to stabilize the amount of carbon dioxide in the atmosphere, helping to mitigate the progression of temperature rise.

Creating Tomorrow Today

Our pledge to do our part remains the same: we are focused on reducing greenhouse gas emissions in our operations and products, today and in the future. Ford's lineup today brings customers great choices in affordable fuel economy and quality. From our fuel-saving EcoBoost® technology (so far in more than 8 million engines worldwide) to advanced powertrains and lightweight materials, we continue to focus on improving fuel economy and carbon dioxide emissions for our customers and the environment. At the same time, Ford's investment in breakthrough technologies and future mobility solutions, including electrification, connectivity and autonomy, will help transform how people move, and are at the heart of our response to the climate change challenge.

Ford will continue to invest in facilities, products and infrastructure that go beyond today's business models and help create a sustainable future. We will also continue to collaborate and engage – working with other sectors including fuel providers, utilities and even cities – to develop efficient solutions.

ELECTRIFICATION

We remain absolutely committed to improving fuel efficiency for our customers and for the environment, which is why we're investing an additional \$4.5 billion in electric vehicle solutions by 2020, informed by social science-based research into how owners use their vehicles in real-world conditions. We're combining marketing, research, engineering and design to reimagine our product development process, create new user experiences and make life better for millions of people.

CONNECTIVITY AND AUTONOMY

Connected vehicles offer a host of solutions to cut congestion – and while autonomous vehicles (AVs) may actually increase the number of cars on the road, with intelligent traffic management enabled by the fully connected car, we can increase the capacity of our streets without any infrastructure changes.



Ford's global electric vehicle strategy is to build on our strengths, and provide customers even more of what they love about their Ford vehicles. This means more capability for trucks, more productivity for commercial vehicles and more performance for sports cars – plus improved fuel economy.”

Raj Nair, Executive Vice President and President, North America, Ford Motor Company

(formerly Executive Vice President, Product Development, and Chief Technical Officer)

Delivering

OUR ELECTRIFICATION

PLANS

Urbanization. Congestion. The call for cleaner, more efficient vehicles. The ability to produce smaller, lighter, cheaper batteries. These are some of the factors that will make tomorrow's electric vehicles more appealing to own and use than today's gasoline-powered ones.

13 New Global Electric Vehicles Over the Next Five Years

By electrifying our most popular, high-volume commercial vehicles, trucks, SUVs and performance vehicles – and introducing dedicated battery electric vehicles – we are building on Ford's areas of strength. Our global electrification plans include a hybrid version of the F-150 pickup, a hybrid version of the Mustang, two new hybrid police vehicles, a Transit Custom plug-in hybrid, an all-new fully electric small SUV and an autonomous vehicle designed initially for commercial use.

New Services and Solutions

Applying our years of electrification experience, we intend to be equally innovative in providing the services and mobility solutions that will make understanding and owning electric vehicles simpler than ever. Ford has studied insights from 58 million unique trips, made by 33,000 past and present Ford electric vehicle owners, to better understand how they use their vehicles.

We already have a Memorandum of Understanding with other European automakers to create an ultra-fast charging network for fully electric vehicles. The initial rollout of about 400 charging sites across the continent is starting in 2017.

We're also piloting wireless charging on company vehicles in our U.S. and Europe fleet. The technology makes charging an electric vehicle as simple as pulling into a parking spot, as the electricity is transmitted wirelessly from the charging pad under the vehicle.



Mobility for a Better World

More sustainable cities with smarter forms of mobility are at the heart of Ford's vision. Beyond this, we see other challenges in underserved areas of mobility, where we can put our technology and knowhow to work for a better world.



Liberating the Human Journey

Ford's view of mobility is an expansive one. It allows us to map the City of Tomorrow (pictured top right), with sustainable transportation that answers the needs of cities and citizens. To help shape that new future, we have created the City Solutions team to work with cities around the world, starting with San Francisco.

ANSWERING THE NEEDS OF CITIES AND CITIZENS

We have acquired Chariot, a crowd-sourced shuttle service. Currently operating throughout San Francisco Bay Area and Austin, Texas, Chariot is growing its operations to eight cities this year, including at least one city outside of the U.S. Today, Chariot's routes are crowd-sourced based on rider demand. In the future, they will operate dynamically – using data algorithms to map efficient routes to best serve the real-time mobility needs of communities.

The Chariot shuttles complement mass transit by filling the gap between taxi and bus services – providing an on-demand, point-to-point transportation option that is convenient, efficient and cost-effective. For every one dynamic shuttle that is placed into service during peak travel times, urban congestion could be reduced by up to 25 vehicles, according to a private study for Ford conducted by KPMG.





Mobility and Human Progress

For us at Ford, mobility is about human progress. Not only making people's lives better in mature economies and major cities, but helping solve problems in areas of the world that tend to be underserved by technology advances.

In India, we are working with World Vision, the international children's charity, to help connect remote and impoverished communities with health care and education services. We have provided World Vision with two specially equipped Ford Endeavour SUVs – a Mobile Health vehicle (pictured left) and a Mobile Library – which also have Ford's OpenXC platform to help World Vision provide its services reliably and efficiently.

In rural West Africa, Ford has worked with Riders for Health, an international nonprofit medical transportation organization, to bring vital health care and other public services to remote communities.

Partnering for the Planet With Suppliers



Beyond our fence line, we're committed to reducing the environmental footprint with our key suppliers.

With stakeholders expecting us to be ever-more sustainable, we are working with our complex network of suppliers to reduce our combined environmental footprint through the Partnership for a Cleaner Environment (PACE) program, which now spans 1,100 supplier sites across more than 40 companies.

Best Practice Makes Perfect

Through PACE, we have successfully implemented more than 350 practices at sites shared with key strategic suppliers. We hope they will help to save 550 million gallons of water and cut carbon emissions by 500,000 metric tons over the next five years.

One of the keys to PACE's success so far was getting our own house in order first. Only after we'd figured out how to reduce the environmental footprint at our own facilities were we in a position to scale things up and share our ideas. We also offer suppliers the flexibility to select those practices that align best with their particular goals to drive take-up.



It's important that we make quality products and minimize the impact on the environment by doing things the right way. Having suppliers that want to share that responsibility shows we can work together to reduce our collective environmental footprint."

Mary Wroten, Senior Manager,
Supply Chain Sustainability,
Ford Motor Company

GOING FURTHER

Our commitment to acting responsibly, including accountability for our impact on the world around us, is formalized in our policies and compliance practices, and reinforced by our senior leadership.

We know the role that strong corporate citizenship plays in our success and our reputation. Many consumers only buy from businesses that they perceive to be honest and responsible, and potential employees may only consider working for such companies.

the Right Way

Trust: The Cornerstone of Everything We Do

Our dedication to ethical leadership, compliance practices and corporate social responsibility sets us apart. This commitment to doing things "the right way" can be seen in programs across our business: in the way we monitor and manage human rights and working conditions, for example, or how we foster greater sustainability through our supply chain via training, audits and the sharing of best practices with suppliers.

World's Most Ethical Companies

Acknowledging our efforts as a good corporate citizen, in March 2017, Ford was named one of the World's Most Ethical Companies by the Ethisphere Institute for the eighth straight year – the only automaker to have achieved this honor. This designation is a reflection of Ford's core values, and shows that our employees, at every level of our company, continue to make the right decisions every day.

Good Decisions Behind the Wheel

To us, driver safety is not just about making safer vehicles. We're also promoting safer behavior through a range of driver assist and semi-autonomous technologies.

Staying Connected, Entertained and Safe

Driving studies have demonstrated the importance of drivers keeping their hands on the wheel and their eyes on the road. Findings from these studies have informed the development of some driver assist technologies designed to reduce the risk of a crash, such as Forward Collision Warning, Automatic Emergency Braking and lane-keeping systems.

Drivers can also stay connected and entertained, as well as safe, using the Ford SYNC® system, which permits hands-free, voice activation of several phone, navigation and audio features. Our latest version, SYNC 3, has a new touchscreen featuring pinch-and-swipe gestures found on smartphones and tablets, and the capability to connect to Apple and Android phones. As well as enabling drivers to make and take calls, hear incoming texts and control music players using voice commands, Ford SYNC features Emergency Assist, which can automatically send essential information to the emergency services in the event of an accident.

Paving the Way to a Connected and Autonomous Future

While a connected and autonomous future offers the prospect of new and more sustainable ways to move, perhaps most importantly, it holds huge potential for safer travel by road. More than 30,000 people die every year in traffic accidents in the United States alone, and that number is on the rise. Imagine a future where crash-related fatalities are significantly reduced. This falls in line with Ford's commitment to creating not just a better product, but a better world.

Our research programs with public, private and academic entities are looking at ways for autonomous and connected vehicles to communicate with one another, and with the road infrastructure, to help avoid collisions and reduce congestion.

In the United States, for example, we are co-leading a group of automakers working with the U.S. Department of Transportation to help develop vehicle-to-vehicle and vehicle-to-infrastructure communication systems. And in Shanghai, one of the busiest cities in the world, we have begun testing vehicle-to-vehicle and vehicle-to-everything features, aimed at helping drivers navigate through busy street crossings. These communications could, in future, assist drivers to perfectly time traffic lights and more easily make left turns, saving time and fuel, and helping to reduce the risk of collisions.

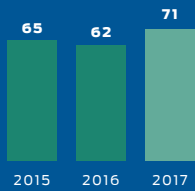
We know, of course, that progress is never a question of technology alone. To pave the way to a safer future through autonomy, collaborative decisions on how to regulate and introduce autonomous vehicles are also essential.

2016 SUSTAINABILITY PERFORMANCE METRICS

VEHICLE SAFETY

U.S. New Car Assessment Program (NCAP) Five-Star Overall Vehicle Scores

PERCENT OF FORD MOTOR COMPANY VEHICLES TESTED THAT ACHIEVED FIVE STARS, BY MODEL YEAR

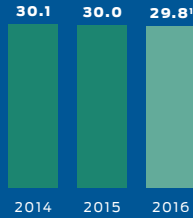


Improved

FUEL ECONOMY

U.S. Corporate Average Fuel Economy, Combined Car and Truck Fleet

MILES PER GALLON

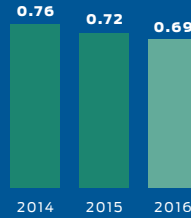


Declined

CO₂ EMISSIONS

Worldwide Facility CO₂ Emissions per Vehicle Produced

METRIC TONS

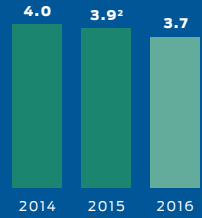


Improved

WATER USE

Global Water Use per Vehicle Produced

CUBIC METERS

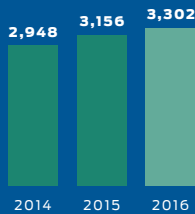


Improved

SUPPLY CHAIN

Total Supplier Sites Trained/Retrained in Sustainability Management

CUMULATIVE, SINCE 2005

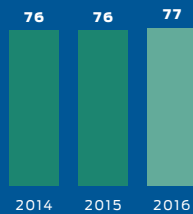


Improved

EMPLOYEE SATISFACTION

Pulse Survey Employee Satisfaction Index

PERCENT SATISFIED

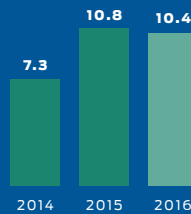


Improved

FINANCIALS³

Adjusted Pre-Tax Profit

\$ BILLION



Declined⁴

Contact

Preparing this summary offers a valuable opportunity for us to assess and improve upon our progress and performance. To continue to do so, we need your feedback.

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¹ The decline in combined car and truck fuel economy is primarily due to customers purchasing larger cars and more trucks. Our combined fleet CO₂ emissions improved by 10% compared to 2009.

² 2015 data has been restated due to water meter repairs at a number of facilities.

³ Refer to pages 25 and 82 of Ford's 2016 Form 10-K for definition and reconciliation to GAAP.

⁴ Refer to page 32 of Ford's 2016 Form 10-K for details.



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