

CONNECTING WITH DOWNRIVER

CORPORATE
CITIZENSHIP REPORT



COMMUNITY GROWTH
EDUCATION
EMPLOYEES
ENVIRONMENT



Auto Alliance

A FORD MOTOR COMPANY AND MAZDA MOTOR CORPORATION JOINT VENTURE

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MAKING THE CONNECTION

For 18 years, AutoAlliance International (AAI) has built great products. Just as importantly, AAI has strived, and continues to strive today, to be a responsive and responsible citizen of the community.

The principle of building both great products and a better world is integral to the operations of AAI, the joint venture between Ford Motor Company and Mazda Motor Corporation in Flat Rock, Michigan. AAI does build great products – the Mazda6 and the 2005 Ford Mustang. We recognize that making the world a better place as well will help us build a stronger business. Making a profit and being a responsible citizen are not opposing concepts. In fact, demonstrating the ability to properly mesh these ideas are evolving as a key component of people’s perceptions of any company.

AutoAlliance has a special relationship with Flat Rock and many of the other Detroit Downriver communities, and we are assessing our impact on the area. This report, *Connecting with Downriver*, describes our performance. It outlines our overall strategy for the programs we support and illustrates how our employees and our company are making a difference in the world.

In 2003, Ford Motor Company announced business principles that articulate its values and provide a way to measure company performance against key indicators. Ford’s performance in these areas is reported in the annual *Corporate Sustainability Report*.

Understanding the impact our operations have – economically, socially and environmentally – on the community allows us to develop strategies to minimize negative effects and to build on the positive. *Connecting with Downriver* is one tool that will help us maintain a dialogue with our community, as well as continue building a relationship that solidifies our reputation as a trusted, responsible corporation.

Ford and Mazda are members of the Global Reporting Initiative and they have integrated the

initiative’s Facility Reporting Project into its production systems. The project, which aims to standardize reporting from facilities, is expected to provide company benefits including:

- *Increased internal support for environmental programs and improvements.*
- *Cost savings and peer support derived from pursuing facility reporting with test groups.*
- *Improved communications with community leaders, facility neighbors and other stakeholders.*

There are also benefits to the community. These include:

- *Environmental, labor and community organizations will have data in a standardized, more comprehensive format.*
- *A framework for determining benchmark facilities and methods that should be replicated.*
- *Metrics for regulatory agencies seeking to identify best practices and high performers.*

We believe we are developing a new model of corporate community investment that bridges traditional areas of philanthropy and volunteerism with commercial-community relationships.

Phil Spender, the president of AAI, led engagement work with the community of Chennai, India, during his time as managing director of Ford India. Since joining AAI in 2001, he has championed similar community efforts. The goal: to strengthen community relationships and help make AAI products trusted and top of mind for consumers and citizens.

The first order of business of this initiative was for AAI personnel to gather information on the relationship between AAI and the Downriver community. They collected history, workplace demographics, financial and philanthropic investments, and supply chain data. The information also described contributions AAI made as a major employer, the health of

the local economy, tax revenues and local revitalization efforts, and the sourcing to supplier companies that can also stimulate economic development. Finally, it provided an inventory of community-related activities.

AAI leadership pledged commitment to the formal business principles and objectives, as well as to transparent reporting of the facility’s performance. As community-impact information was being collected, a team of plant management, United Auto Workers, human resources, public affairs, communications, operations and community relations representatives was formed. The team was charged with leading the development and maintenance of community relationships and with demonstrating the principles and the passion for the community to ensure these efforts add value.

The data showed that AAI was already committed to a variety of community initiatives. It supports educational programs, for example. Besides having a Wildlife Habitat Council-certified site on plant grounds, AAI and employees work on other environmental stewardships and organizations. AAI employees are active in many community causes and projects, including Reading is Fundamental, Toys for Tots, Habitat for Humanity and United Way.

The data were shared with community leaders who also presented their perspectives on company-community history, goals and issues. The AAI team and community leaders constructed a shared vision of AAI contribution to the community that focuses on environmental stewardship, educational initiatives and community growth.

The environmental stewardship group is chaired by Terry Filipiak, AAI environmental manager, and includes the Huron River Water Council. The team participated in the Annual River Cleanup Day and the International Wildlife Refuge event at Lake Erie Metropark,

as well as assessing AAI’s impact on the environment on an ongoing basis.

The educational initiatives team is led by Guy Trupiano, Human Resources vice president. The team includes school officials, members of the Downriver Career Technical Consortium and the Flat Rock school system.

A group led by AAI plant Manager Michael Boneham was formed to check the impact of AAI growth on the community. Community leaders, local artists, students and AAI employees have shared resources and developed a Web site, www.autoalliance.com. The work of this team is used to invite UAW workers to explore transferring to AAI and has drawn attention from plants with similar recruiting needs. Other key initiatives include development of the AutoAlliance Community Center in Flat Rock, sponsorship of Cruisin’ Downriver, and programs to help new employees settle in the area.

We remain in the early stages of formal community impact assessment and engagement, but the initiative already is strengthening relationships and adding richness and value. We believe we are helping develop stronger communities in which to do business. We have access to new sources of information, access to potential markets, and more effective and targeted use of resources. We have improved our reputation in the communities where we are doing this work.

AAI’s greatest asset is its people. This is proven to us daily not only by the ethic that pervades the workplace, but also by the generosity, community spirit and willingness to help someone in need that our employees demonstrate both at work and in their own communities.

We are proud of our efforts and are dedicated to continuing them. We are equally proud of Flat Rock and our Downriver communities. As you read *Connecting with Downriver*, you may find inspiring, and perhaps surprising, some of the many ways we are striving to enrich our relationship with the community.



GROWING TOGETHER

To get a feel for the deep relationship between AutoAlliance International Inc. and the Downriver community, grab the kids and spend a summer day at Cruisin' Downriver.

AAI is title sponsor of the cruise, an annual showcase of classic cars past and present passing through Lincoln Park, Riverview, Southgate and Wyandotte, all near AAI's hometown of Flat Rock and home to many AAI employees.

"AAI assembles the Ford Mustang, so the affiliation is a natural – it gains visibility for the Mustang and helps bring more visitors Downriver," says Alan Anderson, president of the Southern Wayne County Chamber of Commerce.

The affiliation with Cruisin' Downriver encapsulates AutoAlliance's relationship with the region. The Mustang is featured on logos, T-shirts and at the cruise. AAI and its products, which also include the Mazda6, are visible to as many as 400,000 people involved in or attending the event.

Mustang and other car clubs to which AAI employees belong bring their classics to the cruise. AAI motorcycle-club members raise money for area charities during the cruise. Employees are enthusiastic about the pre-cruise fund-raising party, and they staff AAI's cruise booth, a unique opportunity to interact with the public.

"The cruise really embodies what AAI is trying to do in terms of being a trusted, active citizen," says Ed Clemente, the former chamber president who helped forge the cruise sponsorship by AAI. "AAI provides an anchor that engages our residents and draws new people to the area. For their part, the communities put on a fun family event in a beautiful region."

"Cruisin' Downriver lifts the profile and the credibility of our communities and AutoAlliance International," says AAI President Phil Spender. "It demonstrates why remaining genuinely, actively involved is good for our business and good for the community."

A New Home

When Ford Motor Company faced having to reduce operations or close some facilities in 2003, it worked to help affected employees relocate to rewarding positions in other company locations.

AutoAlliance International, which was about to begin assembling the 2005 Ford Mustang next to the popular Mazda6, was a draw for many.

"The product put out by this facility certainly was an important factor in interest in AAI," says Ken Akers, Ford strategy manager. "AAI's desirable location, job security, the age of the plant (18 years) and the updated equipment in use there also were attractive."

AAI eventually ended up with about 1,600 new employees from various locations, says Guy Trupiano, AAI Human Resources vice president. Assistance provided by the city of Flat Rock, the state of Michigan and the U.S. government has facilitated AAI's growth.

Trupiano says an AAI team of hourly and salaried employees, with support from community organizations, led recruiting. "We were able to demonstrate that coming here was not just coming to a job, but that there was also a great quality of life," he says.

Keith Malone and his family moved from the St. Louis, Mo., area to AAI in May 2004. "The people here are great," he says.

When he arrived in 2001, Spender was impressed with employee involvement in the community. He wanted to channel that energy to maximize the good work.



AAI, home of the Ford Mustang and Mazda6.

"Community activism has been a part of the AAI heritage for years, both from the UAW-represented and salaried employees. It's something of a passion for many of the people in this plant. We're building on that strength," says Michael Boneham, AAI plant manager.

Wherever the impetus comes from, AutoAlliance is engaged in the community. Employees dig deep for worthy causes; they turn out to clean up a river, build a new home or show off the cars they build; they roll up their sleeves to give blood. Employees serve on many boards and committees, and AAI supports environmental, educational and other initiatives.

"I consider myself fortunate to be part of this engagement process and look forward to AutoAlliance and Ford continuing to contribute positively to the Downriver area," says Charlene Coulson, of Flat Rock Community Schools.

"We have been thrilled at how the employees, union and nonunion, have taken hold of our region and participate," says Anderson.

"A large number of our employees are involved in programs supported by UAW Local 3000 or in projects we support in conjunction with plant management. They also are generous in their support of other initiatives that they know will benefit their neighbors," says Mary Olson, UAW Local 3000 AAI Unit-Plant Chairperson. "This strong sense of community commitment is part of what makes the AAI work force unique."

"We want to show the community that we're not just in this business to take; we are in this business to give back something as well," adds Boneham.

Joan Pawlukiewicz is gracious but can't help smiling when folks from nearby communities are a little envious. After all, the AutoAlliance Community Center in Flat Rock is the type of facility any community would like to have.

The community center is across the road from AutoAlliance, which committed much of the funding for the multimillion-dollar center that opened earlier this year.

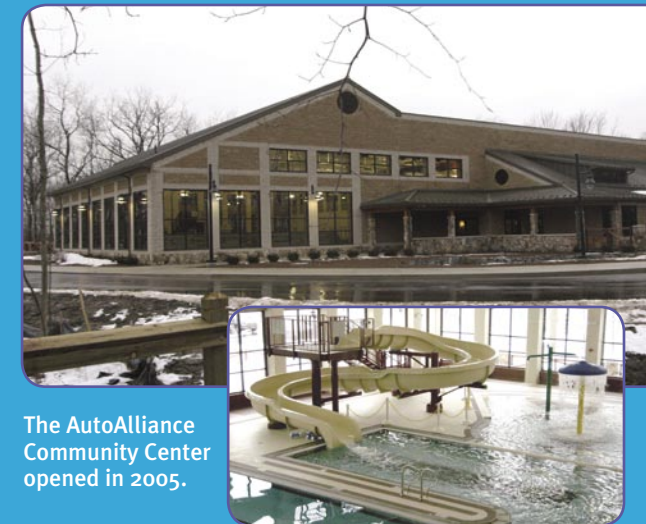
"We consider ourselves very fortunate," says Pawlukiewicz, the center's director. "Not all communities have this great working relationship with their major companies, and not many have the level of support that we have from AAI."

The community center is a 50,000-square-foot complex designed to fit comfortably and aesthetically into the 27-acre wooded area it occupies near Interstate 75.

The center includes meeting and banquet facilities; a pool with a slide; gymnasium; weight and fitness area; running track; and kitchen. One of the first events hosted at the center was the AAI-sponsored annual holiday dinner for seniors, a night of good food and TLC provided by AutoAlliance employees.

"We work with AAI on many projects and community initiatives," says Pawlukiewicz. "In fact, we always tell visitors to our facility how AAI helped make it a reality. AutoAlliance helps make a lot of things reality in our community. It is a vital part of the community."

"The community center is an extension of our strategy to reach out to the citizens who live in this area," says Phil Spender, AAI president. "But it also represents outreach to our own employees, giving them new amenities and opportunities to participate within the community."



The AutoAlliance Community Center opened in 2005.



AUTOALLIANCE-DCTC BUILDING FOR THE FUTURE

As a health professional, Gail Donovan feels an obligation to mentor and teach others. Her occupation as site manager of the UAW AutoAlliance Ford ESSP Physical Rehabilitation Center and involvement in the Downriver Career Technical Consortium (DCTC) gave her an excellent opportunity to do that.

And it gave Gibraltar Carlson High School senior Jennifer Pilz the opportunity to work alongside a pro and gain hands-on experience interacting with the AAI employees who use the center.

"We were able to show this program would not interfere with employee care, yet would help a DCTC student serve the volunteer time required by therapy professions," she said. "Jennifer has been a wonderful addition to the center."

Pilz is developing knowledge and skills that will help her focus her future pursuits, and Donovan noted that AAI employees enjoy talking with a motivated young person about her plans.

"The DCTC program puts students in different areas to observe to help us decide what we want to do," said Pilz, adding her experience at AAI has helped cement her plans to become a doctor.

The AAI relationship with DCTC, a career and technical education program, extends to other areas of AAI and the consortium, which has its offices in donated AAI space and its student bus-ing hub at AAI. To further students' real-world experiences, AAI donated nine prototype Ford Mustangs to area high schools for auto-repair classes. In addition, DCTC students soon will have access to an accredited advanced technology program in AAI's state-of-the-art Technical Training Area.

"The vision was to tap into the resources of our employees, especially the skilled trades, and form a mentor-mentee relationship," said Guy Trupiano, AAI Human Resources vice president. "Through this relationship, students are able to use modern equipment they typically don't have access to in school. It also gives students expertise in skilled trades. We are hopeful it will guide them toward a career in manufacturing."

DCTC Director Malin Wagner said the consortium is excited to have access to facilities such as the Technical Training Area. Plus, the use of available AAI space frees more DCTC resources for educational programs.

The Technical Training Area includes classrooms, mechanical and electrical labs, a machine shop and robot cells.

"We offer courses to employees for each of those manufacturing areas," said Michael Wright of AAI Launch Planning and Work Force Readiness. "We not only want to open this center up to students, but also enhance DCTC programs to share with students some real-world examples that can be tied to these pieces of equipment."

Programs like the AAI-DCTC initiative help show students the many options they have for their futures, said Ted Szenborn, UAW Skilled Trades technical training coordinator.

"It lets students know there are other opportunities besides college," he said. "And we get good-quality apprentices for the future."

Violet Talevich, AAI training and development coordinator, and Szenborn have observed students in their school shops. "We have been very impressed with the work and craftsmanship," she said. "These are talented, motivated students."



Some prototypes of the 2005 Ford Mustang were donated to high schools for auto-repair classes.

"A program like this that will bring students in here has been part of our overall strategy for several years," said Trupiano.

Wagner said DCTC has 6,000 students across 25 areas of study ranging from cosmetology, to culinary arts, to manufacturing, to medical disciplines and business taught in two-year programs. Students typically spend about two and a half hours a day working in their area of study in addition to school classes. Wagner is expecting 400 to 500 students a year to come through the AAI program.

A DCTC student from Carlson High School, Kate Meadows, is a marketing intern at the UAW-Ford Family Service and Learning Center at AAI. About a dozen other students are being mentored at AAI through the DCTC Exposure School-to-Work program.

"We are able to give youth information that they typically wouldn't get in the school environment," Trupiano said. "We also benefit greatly from this exposure to young people and their ideas."

"We hear from the educators that they don't think of AAI as just a factory sitting here, but as a tremendous resource and supporter of education," Wagner said. "This affiliation is on the verge of becoming a state and national model."



Jennifer Pilz, left, is a DCTC intern at the rehab center at AAI.



Sharon Small, right, leads the weekly Lunch Bunch.

Every week, a few dozen children pick up their lunches and head off to meet with a teacher. No, it's not detention. These are members of the Lunch Bunch, a program for children of recently divorced or separated parents.

Teacher Sharon Small started the group almost 20 years ago at Gibraltar's Hunter Elementary, as she recalls, when one of her fourth-grade students transformed from a happy child with strong grades to a tearful little boy who was struggling in school. He told his teacher one day that his parents were getting a divorce.

She began gathering groups of children in similar situations and feeding them breakfast, sharing the expense with another teacher. The group evolved into the Lunch Bunch, which now is supported financially by AutoAlliance International. The Lunch Bunch aims to help children

adjusting to major changes at home cope with their challenges and, significantly, not feel so isolated.

Parents may nominate their children for the Lunch Bunch, and groups split up by grade get together once a week over free pizza and beverages with a teacher during their lunch break. They might talk about issues affecting their lives, or the weather, or they may just enjoy time with an understanding peer group. They may also share lunch with a lawyer, a psychologist or a judge, all of whom volunteer their time to answer the children's questions about a complex, confusing time.

"The children are allowed to ask anything, and their questions are very insightful," Small says.

"The kids just love it," says Hunter Principal Els Ferguson. "When it's their turn, they grab their pizza as fast as they can and run to Lunch Bunch."

Approximately 60 of Hunter's 400 students are in the Lunch Bunch program. Thanks to increased support from AAI, Ferguson says Lunch Bunch has been expanded to other district schools and is available to first- through eighth-graders.

"Divorce is a very difficult time in a child's life, and we are grateful to AAI and to the parents of these children who recognize this and want to help make the transition a little easier for their children," says Ferguson.

SHARING AND CARING A WAY OF LIFE

Employees are key to AutoAlliance International's engagement with the community. Kim Vandenberg and Mike Kreutzman are two shining examples.

Vandenberg, a Trim and Final employee, and Kreutzman, a Mustang body-side employee, embody the pervasive community spirit of AAI. They lead efforts all year long to collect returnable cans and bottles that they cash in to raise money for worthy programs. The two employees and their supporters raised more than \$6,000 last year.

Vandenberg started collecting returnables in her own unit a few years ago. She says many "bottle helpers" soon stepped up to broaden her collection efforts and before she knew it, the cans and bottles were pouring in from all over. She persuaded an area store to not only take the cans and bottles, but to give her some extra shopping discounts to stretch the dollars. Plus, she and other volunteers shop the clearance and sale racks all year long, stocking up on necessities and goodies for programs such as Toys for Tots and Adopt a Family. She even enlists her children in the project to help them learn and grow.



Employee volunteers landscape a Habitat for Humanity home.

"We are all very blessed here with good, secure jobs," she says by way of explaining her dedication. "I love programs like Adopt a Family that help people who just might be temporarily down on their luck give something to their children and maybe give them a boost to get back on their feet.

"Every year, I am amazed at how giving everybody is. When we are able to fill trucks up with gifts at the holidays, it looks like one big Santa train."

Only a couple months into 2005, the Vandenberg's garage was half full of returnables again. "It only takes one person to start something like this, and then people come from all over to help," she says. "It's worth every minute of it."

Whether they are collecting boots and gloves for underprivileged children, swinging a hammer to help build someone in need a home or shelling out a few bucks for charity and the privilege to wear jeans for a day, AAI employees are hands-on when it comes to meeting the community's needs. They support food banks with the Harvest for Hunger Food Drive, clothing drives for the needy and donations for the Flat Rock Good Fellows. Here is a sampling of other programs AAI employees get behind:

Habitat for Humanity

"I like to have happy things happen to other people," says Sue Knapp, a manufacturing engineer who coordinates AAI's annual participation in the construction of homes in Monroe for the needy. In 2004, AAI employee volunteers, many with children or other relatives in tow, built four homes in one week. It's gratifying, forges new friends and, she says, "It's just a lot of fun to get out there and get dirty."

Toys for Tots

Employees donate thousands of new toys in drives led by the UAW Local 3000 Community Services Committee each year. Truckloads of toys are distributed to needy children in the Detroit area, Monroe County and Downriver.

Diversity Council Initiatives

AAI's active Diversity Council has its hand in many community projects that improve quality of life. The council helped lead the collection of \$16,000, which was matched by Ford Motor Company, to support rebuilding and recovery efforts from the December tsunamis in Asia, says John Goch, facilities engineering supervisor and chairman of the AAI Diversity Council. The council also supports ongoing programs, including gathering up books from employees for donation to the Flat Rock Library and soliciting donations of clothing, household goods and other items for First Steps, an organization that helps women who have escaped abusive relationships.



AAI collects truckloads of Toys for Tots.

Student Career Day

More commonly known as Take Your Child to Work Day, AAI employee volunteers spend months planning fun and lessons for the children of employees who attend this annual event.

Family Day

Family Day at AutoAlliance couldn't happen without droves of droves of volunteers who do the planning and staffing, says United Auto Workers Employee Resource Coordinator Jerome Head.

The festive event has been an annual attraction for AAI employees and their families since 1994. "It's a very popular event that builds unity all across the different levels and functions and gives our employees a day to just enjoy their own families," he says.

Head also is a key organizer of the annual Senior Dinner, which he sees as a chance to give many community seniors a much-deserved evening of pampering with a special dinner, companionship and games.



Employees and their families enjoy Family Day at AAI.

Red Cross Blood Drives

AAI employees roll up their sleeves three times a year for Red Cross blood drives and make up one of the agency's strongest southeastern Michigan supporters for each 12-month period. In 2004, AAI employees donated 373 pints of blood, says Leonard Lark, the UAW Local 3000 Community Services Committee chair who coordinates the drives.



AAI employees donate hundreds of pints of blood each year.

Denim Days

For a mere \$5 a week, or \$25 for a quarter, employees can break out the blue jeans for work on Friday, with proceeds going to various causes. Through Denim Days contributions, AAI employees raised more than \$6,000 in 2004 to support the Susan G. Komen Breast Cancer Foundation, the Prostate Cancer Initiative, Toys for Tots and Ronald McDonald House.

"There are obvious benefits for the charities," says Susan Hatlen, an AAI Purchasing buyer and one of the organizers of Denim Days. "But the employees who take advantage of Denim Days enjoy a

greater sense of well-being because they are helping others. At work, they are more comfortable, more relaxed, and I think at times this helps them be more productive. Plus, it's just a nice segue into the weekend."

The UAW-Ford Family Service and Learning Center opens many of its educational and recreational programs to the wider community, as well as coordinating or leading a number of programs such as collecting necessities for soldiers overseas, used cell phones for seniors, blankets and other items for domestic shelters, and food for the needy.

Community spirit warms the welcome for new employees to AAI

Jay Redfern moved from Oklahoma last year, settling in Woodhaven. He says Family Day was one of the first events his family attended after arriving in Michigan. "They always have something going on here for employees to get involved, either right in the Flat Rock community or with a larger program," he says.

Community involvement is as much a way of life at AutoAlliance as is making cars.

"They don't mind giving back to the community. In fact, they're eager to do it," says Mike Gratz, UAW employee resource coordinator. "We make sure there are all different ways to participate, and employees then just get involved. That kind of thing happens with a great group of people."



Area seniors get an evening of good food and good company at the annual Senior Dinner.



At the UAW-Ford Family Service Learning Center, AAI employees obliged when soldiers in Iraq asked for small toys to give to children.

There are families where medical emergencies, tragedy or job circumstances have just stacked up overwhelmingly, leaving them with no cash and little hope. This is where The Information Center, with support from AutoAlliance International, steps in to help with services and connections, as well as extra support at the holidays, with the Downriver Information Center Adopt a Family program.

Last year, about 400 local families – almost 1,400 people – entered the Adopt a Family program, says Ruth Sebaly, president of The Information Center. Each family submitted a "wish list," often consisting more of the bare necessities than extravagances. The families were then matched

with an individual, group or organization that pledged to cross off that list as many items as possible. Led by the UAW Local 3000 Community Services



AAI employees are generous supporters of Adopt a Family.

Committee, AAI

employees in 2004 stepped in to adopt 80 families, an unprecedented number, says Sebaly.

Each of AAI's adopted families received a \$200 gift certificate along with items from their lists, and at least 80 percent of the families received more gifts than they had asked for, thanks to the generosity of AutoAlliance employees.

As Trim and Final employee Kim Vandenberg puts it, "These are families who need a hand up, not a handout. Many of them are just down on their luck, and the people who run Adopt a Family are helping give people a chance to get back on their feet. So many times, that's all they need."

"Every year, how many people we can serve depends on how many donors we can get," says Sebaly. "AutoAlliance is our biggest donor. It's even more gratifying, because so many of our donors come to us by word of mouth that the word must really get around AAI. While we always have to turn some families away, AAI helps us to keep that number to a minimum. It's something that everyone here hates to do. Thank goodness for groups that understand that and choose to help others. We would be lost without them."

Sebaly says donors are grateful for their own circumstances and want to ensure no children have to go without. In fact, when families who have been adopted by organizations such as AAI do get back on their feet, they are often the first ones in line willing to help another family the next year.

"Doing things for others is an attitude that spreads really quickly at AAI," says Mike Gratz, UAW employee resource coordinator. "Year after year, people get pumped up to help others. And year after year, when we put donation bins out, they just keep on filling up."



ENVIRONMENTAL STEWARDS OF TODAY AND TOMORROW

It's an experience Jill Boisvenue and her fourth-grade students at Weiss Elementary School in the Gibraltar school district will remember for a long, long time.

With support from AutoAlliance International, her students were able to "train" for weeks, studying specific Earth systems and animals and each one's importance in the vitality of the others. They then traveled to a venue where their ecosystem was recreated in minute detail and assigned "jobs" as scientists in differing specialties. Their jobs turned serious when the student scientists had to react within their roles to a simulated crisis involving the habitat.

"They are enthusiastic about this project from the beginning when they have to do the initial research and reports on animal life," says Boisvenue. "Once they get to the simulated habitat, they are completely involved, engaged and in awe."

These critical lessons for the children who will someday be in charge of protecting the environment are offered through an innovative program called EarthWorks, one of a series of courses offered by the national educational company Experiencia. AAI provided the funding to allow 500 fourth-graders from the Gibraltar and Flat Rock school districts to participate in the weeks-long program that culminates with the event simulation in Experiencia's facility, located in Taylor.

Support of EarthWorks is but a small part of AAI's dedication to environmental responsibility, sustainability and outreach, says Terry Filipiak, environmental manager.

"EarthWorks and similar projects help people from a very young age gain an appreciation for the ecological balance in this world – the fact that



Students at Barnes Elementary in Flat Rock study their EarthWorks lessons.

it is delicate and that we can and do have a very real impact," says Filipiak. "Children also develop an understanding of the many kinds of sciences that really are involved in studying the various aspects of an ecosystem."

"With programs like EarthWorks, the children come away with an experience that we are unable to give them in the classroom setting," says Weiss Principal Liz Musham. "They gain knowledge and are presented a chance to apply that knowledge in a way that makes sense to them."

"You don't often get an opportunity like this to have a meaningful impact on young people in such a large number," says Filipiak. "This is one of the attributes we look for in the programs we support."

Frank Keller, a member of UAW Local 3000 and the AAI environmental stewardship committee, says his own children inspire his support of environmental programs, particularly those aimed at youth. "I'd like my children in 30 years or even 50 years to have access to the natural resources and experiences we all enjoy now," he says. "Educating children about the environment and

their impact on it is one way of helping ensure this happens."

While AAI reaches out to inform and catalyze the community with financial and practical support for Experiencia and similar programs, many of its environmental projects have an impact much closer to home for the facility and its employees.

For example, part of the AAI facility grounds is a certified Wildlife Habitat, hosting many of the native plants and animals that make Michigan an outdoor wonder. In addition, employees volunteer their time and talents to a variety of programs aiming to reverse environmental neglect and foster responsible stewardship in the future.

Employees took part in the 2003 cleanup of the Huron River. They joined volunteers hauling debris, brush and other unwelcome items from the river for proper disposal in a program organized by the Flat Rock Department of Public Service.

Also in 2003, AAI employee volunteers were on hand during an International Wildlife Refuge anniversary program along the Detroit River. During the daylong program, hosted as part of the U.S. Fish and Wildlife Service centennial and cosponsored by AAI, the employees joined other volunteers in hosting and facilitating wildlife refuge projects with children demonstrating the richness and benefits of the Detroit River and its wildlife.

"We are concerned about the environment and the community," says Filipiak. "Our participation and support of programs gives people an opportunity to see that AAI is much more than just a car factory in Flat Rock."



EarthWorks includes a simulated environmental exercise for students in a room like this at Experiencia's Taylor facility.

The students put on hip waders and headed into the Huron River to collect samples. One group assigned to scoop the bottom pulled up more than it bargained for – a 24-inch salmon headed upstream to lay eggs. The students were thrilled.

They returned to their Flat Rock Community High School classroom without the salmon but with many samples of water, soil, animal and plant life they used to determine the health of the river that runs right through their town.

AutoAlliance International joined forces with the Huron River Watershed Council and the high school to give the students up-close experience with the importance of a vital stream and the effects everyday actions, or inaction, can have. "AAI is offering financial support for this program, one that many school districts can't afford right now but one that provides invaluable learning," says Terry Filipiak, at AAI.

"The river is a resource that most people take for granted," says Ellen Offen, Huron River Watershed Council development director. "This helps people see how important the river is to the community. The students learn about water quality measurements and scientific research. They also learn how important it is to protect and preserve resources like the Huron."

Flat Rock Community High School environmental science teacher Carolyn Grapentine says results of the class' measurements and studies are presented to the City Council.

"We could see these students knew the effect they could have on a waterway, and you hope that they will then educate others," says council member Eric Painter.

"A project like this makes the students that much more aware," says Grapentine. "It isn't just a lab section out of a book. This is our town and our river."

High school senior Grace Hammar participated in the project. "This was a project where we could apply what we're learning to real life," she says. "It has made me realize the Huron River is a life source that affects us. You can really see how even a small piece of litter has big effects on the river."

Filipiak says the Huron River monitoring will be ongoing, with support from AAI.

High school students test the waters of the Huron River.



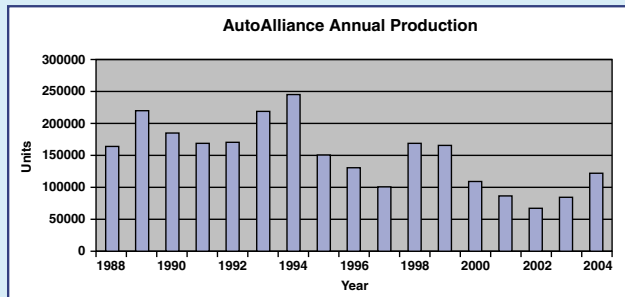
Coyotes and hawks have been spotted in AAI's certified Wildlife Habitat.

ENVIRONMENTAL STATISTICS

AutoAlliance International has engaged the community through the environmental subcommittee, which fosters mutually beneficial environmental activities and discusses AAI's impact on its surroundings. This commitment is reinforced by policies that direct all employees to participate in continuous improvements that reduce adverse environmental impacts.

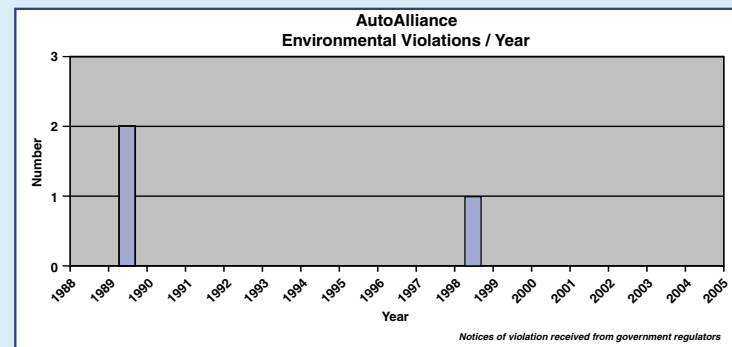
Tracking key indicators is an important element in effective environmental stewardship. Shown here are some of the main indicators of AAI progress toward its goals.

Production



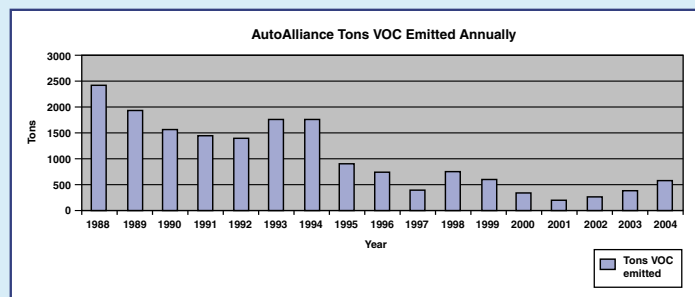
AutoAlliance's annual production volume over the years.

Regulatory Compliance

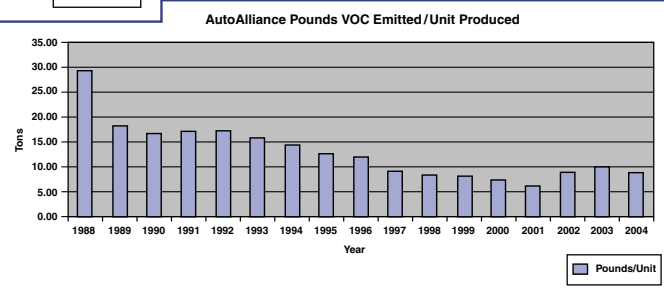


Notices of violation received from government regulators

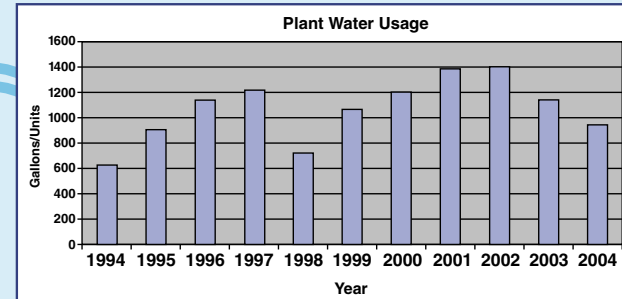
Air Emissions



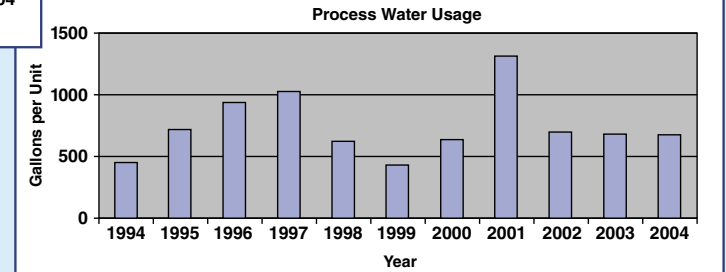
Volatile organic compound (VOC) emissions, more commonly known as solvent, from various paints, sealers and cleaning agents emitted as a result of the manufacturing process.



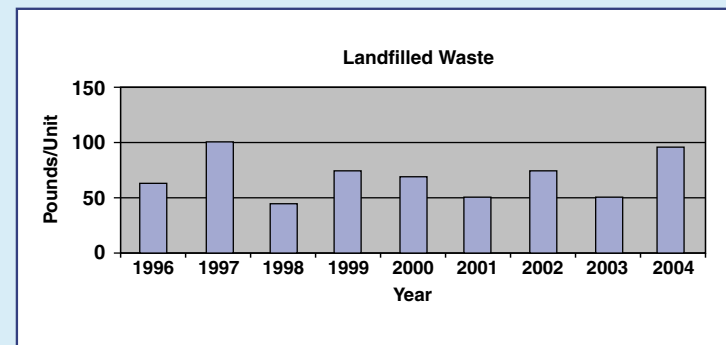
Water



The two graphs show total water consumed by the AutoAlliance plant and process water used in supporting vehicle production (excluding sanitary) such as automobile body cleaning, rinsing, air supply humidification and equipment cooling.



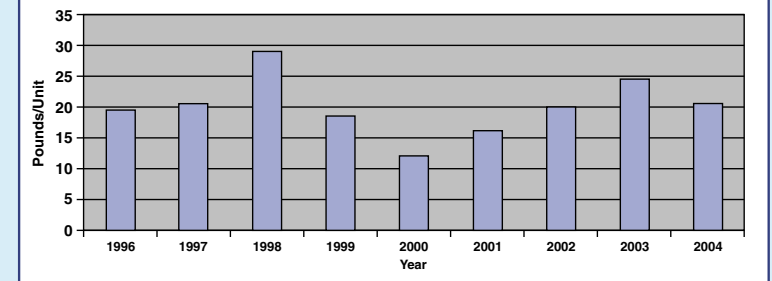
Solid Waste



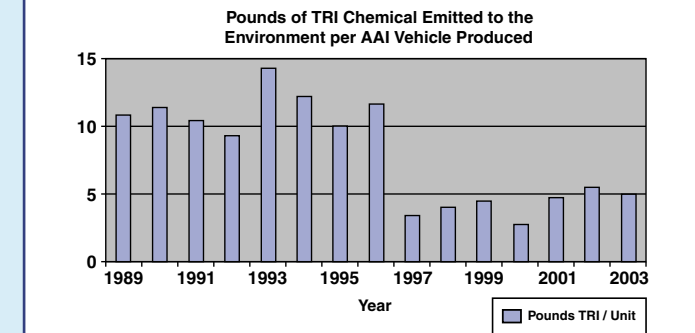
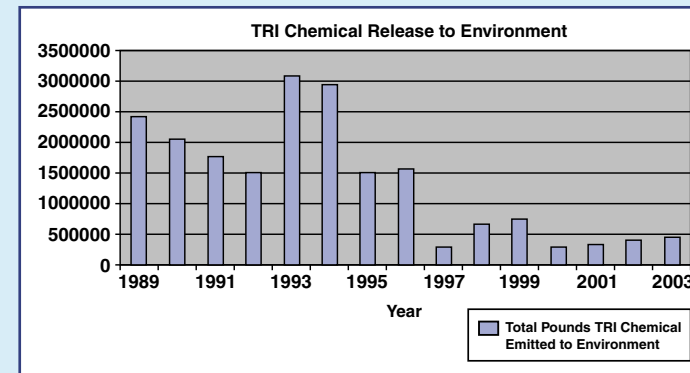
Un-recyclable landfilled waste that cannot be economically recycled or recovered.

Recycled packaging (post consumer waste) sent off site for recycling into new packaging.

Recycled Corrugated Cardboard



Toxic Emissions



Releases reported under the Toxics Release Inventory (TRI) in accordance with US Environmental Protection Agency regulations.



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**Auto
Alliance**

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