For further information, please contact:

Linda Hilbert
Manager, Environmental Compliance
Environmental Quality Office
Ford Motor Company
1 Parklane Blvd., Suite 1400
Dearborn, MI 48126
lhilbert@ford.com

Ford Motor Company also produces an annual Corporate Citizenship Report, following the Global Reporting Initiative (GRI) Guidelines for Sustainability Reporting. The latest Corporate Citizenship Report can be found at www.ford.com. A hard copy of the Corporate Citizenship Report can be obtained from:

Rob Frederick
Manager, Corporate Responsibility
Ford Motor Company
World Headquarters, Room 217-A1
The American Road
Dearborn, MI 48126-2798
jfreder7@ford.com

This booklet printed on 10% post-consumer recycled paper.

Ford Rouge Center

Environmental Report

2002

TABLE OF CONTENTS

Report Notes

This report is intended to inform plant employees and the surrounding community about the environmental achievements of the **Ford Rouge Center**. This report follows a format developed by Ford Motor Company and is not intended to fulfill reporting requirements imposed by any regulatory agencies or standards organizations. Manufacturing facilities owned by others but located on the Rouge site, for example, Rouge Steel Company, are not included in the data presented in this report. Data presented are for the most recent three years available at the time of preparation of this report, if possible.

Dearborn Frame Plant. Ford Rouge Center occupies 600 acres of the original 1,100 acre complex. The remainder is occupied by steel operations that Ford sold to Rouge Industries, Inc. in 1989. A new paint shop —currently supporting the Dearborn Assembly Plant — will be used with the new facility. With its world-class paint systems and advanced abatement equipment, the new paint shop has significantly reduced emissions while maintaining high-quality standards.

"The Revitalization of the Rouge Project is a terrific opportunity to demonstrate sustainability by transforming the icon of 20th Century industrial manufacturing into the model of the 21st Century sustainable manufacturing center. It will also be a visible testament to Ford's commitment to environmental leadership and social responsibility." Bill Ford, May 3, 1999

The Ford Rouge Center Environmental Vision

To support sustainable manufacturing by becoming an industrial and community leader in environmental stewardship through minimizing air emissions, waste production, water utilization, noise pollution and energy usage at the Rouge site.

The Future of the Ford Rouge Center

In 2000, the nation's largest industrial redevelopment project, including the construction of a new vehicle assembly plant, was begun at the Ford Rouge Center. The Rouge Heritage Project, as it is known, is the result of Ford Motor Company's recognition of the importance of blending the needs of the future with the needs of the present, in order to leave the world a better place.

The new assembly plant at the site, called the Dearborn Truck Plant, will initially manufacture the Ford F-150 Truck. It will dramatically reduce the space normally needed for both component and finished vehicle storage. Finished vehicle storage space will be reduced by 50 percent inside and outside the plant. This means 90 percent of the vehicles produced will be shipped the same day. Its assembly lines will be capable of handling three vehicle platforms and nine different models. The plant will be a lean and flexible flagship for the Company.

Ford Motor Company's plans for the Ford Rouge Center encompass testing numerous advanced environmental concepts. The Dearborn Truck Plant will have the world's largest ecologically-inspired living roof — about 454,000 square feet — that will reduce storm water runoff by holding a few inches of rainfall. The Company is also working with the community-based Rouge Gateway Partnership, whose goal is environmentally-responsible redevelopment in the area. Additionally, the 86-year-old Ford Rouge Center is the site for testing:

- Phytoremediation that uses plants to rid soil of contaminants
- Porous paving that filters water through retention beds with 2-3 feet of compacted stones, thereby helping manage storm water runoff
- Swales, or shallow green ditches seeded with indigenous plants that will improve storm water management
- Trellises for flowering vines and other plants to shade and help cool the Rouge Office Building and the new assembly plant
- Renewable energy sources such as solar cells and fuel cells
- Planting thousands of trees and other plants to attract songbirds and create wildlife habitats

About $2 billion is being invested at the Ford Rouge Center. Completed projects include significant upgrades at the Dearborn Engine and Fuel Tank Plant and the Dearborn Stamping Plant and a new product at the

Yesterday, Today and Tomorrow

The celebration of Ford Motor Company's Centennial is a very appropriate time to issue this first annual Ford Rouge Center Environmental Report. Since 1903, the Ford Rouge Center has provided jobs and products for the whole world. The Ford Rouge Center is "where it all started" for Ford Motor Company, and we believe the changes we are undertaking will keep it at the heart of Ford Motor Company's manufacturing activities.

In this report, we seek to inform you about the environmental performance of manufacturing facilities located in the Ford Rouge Center. We have included major environmental performance indicators such as energy usage, water usage, etc. While most of the focus of this report is to inform you of current conditions at the Ford Rouge Center, we also feel that it is important to describe our vision of the future Ford Rouge Center and the steps we are taking to get there.

We invite your feedback on this report. All comments will be taken into consideration as we prepare next year's report. Contact information is provided on the outside back cover.

Jay Richardson *Dennis Profitt*

Ford's Environmental Policy

Sustainable economic development is important to the future welfare of the Company, as well as to that of society in general. To be sustainable, economic development must provide for protection of human health and the world's environmental resource base. It is Ford's policy that its operations, products, and services accomplish their functions in a manner that provides responsibly for protection of health and the environment.

Ford is committed to meeting regulatory requirements that apply to its businesses. With respect to health and environmental concerns, regulatory compliance represents a minimum. When necessary and appropriate, we establish and comply with standards of our own, which may go beyond legal mandates. In seeking appropriate ways to protect health or the environment, the issue of cost alone does not preclude consideration of possible alternatives, and priorities are based on achieving the greatest anticipated practical benefit while striving for continuous improvement.

Ford's policy of responsibly protecting health and the environment is based on the following principles:

- Protection of health and the environment is an important consideration in business decisions. Consideration of potential health and environmental effects—as well as present and future regulatory requirements—is an early, integral part of the planning process. Company products, services, processes and facilities are planned and operated to incorporate objectives and targets which are periodically reviewed so as to minimize to the extent practical the creation of waste, pollution and any adverse impact on health or the environment.
- Protection of health and the environment is a Company-wide responsibility. Management of each activity is expected to accept this responsibility as an important priority and to commit the necessary resources. Employees at all levels are expected to carry out this responsibility within the context of their particular assignments and to cooperate in Company efforts.

Household Hazardous Waste Day at the Ford Rouge Center

One example of the Ford Rouge Center's efforts to be an industrial and community leader was its sponsorship of a Household Hazardous Waste Day on Earth Day, April 22, 2002. The United Auto Workers and Global/Onyx co-sponsored the event with Ford. This was an opportunity for Ford employees to bring in hazardous wastes from their homes, to ensure that they would be recycled or disposed of properly. Approximately 400 gallons of oil, a 55-gallon drum of aerosol cans, and a pallet of lead acid batteries were among the wastes collected. Participants were also given a Recycling Directory, which highlighted recycling and disposal options within their own local communities.

Ford employee Gary Wayne (left) gives his household hazardous waste to Nick Cerasuolo, Inland Waters (right), while receiving a recycling directory from Otoma Edje, Global/Onyx.

Compliance Information

Ford Motor Company voluntarily entered into a Resource Conservation and Recovery Act corrective action consent order with Rouge Steel and the Michigan Department of Environmental Quality. The intent of this consent order is to begin a program to evaluate and address environmental conditions at the Rouge manufacturing complex. Corrective action involves studying environmental conditions of the property, determining what clean-up measures may be appropriate, and carrying out these measures.

Figure 13

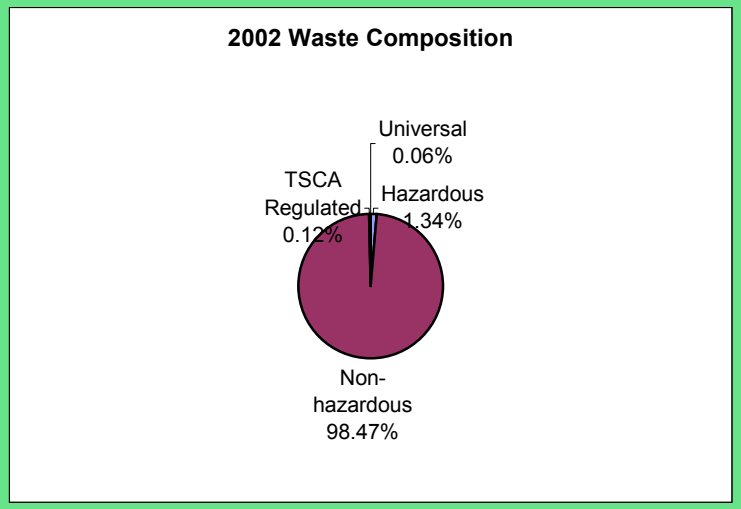
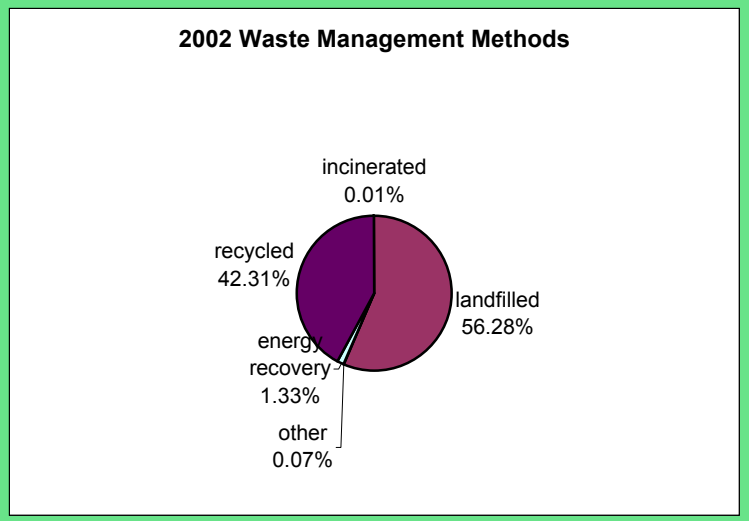


Figure 14

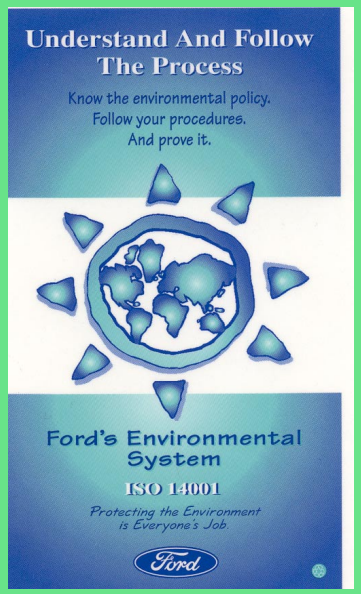


Ford's Environmental Policy (continued)

The adoption and enforcement of responsible, effective, and sound laws, regulations, policies, and practices protecting health and the environment are in the Company's interest. Accordingly, we participate constructively with government officials, interested private organizations, and concerned members of the general public toward these ends. Likewise, it is in our interest to provide timely and accurate information to our various publics on environmental matters involving the Company.

ISO 14001

Ford Motor Company is an established leader in the implementation of ISO 14001, the International Environmental Management System Standard. Each Ford Motor Company manufacturing facility worldwide (including those at the Ford Rouge Center) was independently third-party certified to ISO 14001 by the end of 1998, and continues to maintain its certification. Ford is extending the benefits of its ISO 14001 certification down the supply chain, by requiring its first tier suppliers to achieve third party ISO 14001 certification as well.



A Brief History of the Rouge

In 1915, Henry Ford purchased land in Dearborn, Michigan, located a few miles south of Detroit on the Rouge River, a tributary of the Detroit River. Ford's vision was to create a wholly independent, self-contained manufacturing site where every part needed for an automobile could be produced, machined, finished and assembled into a completed vehicle, ready for the road. This core concept, based on a continuous, nonstop process, from raw material to finished product, was called "vertical integration".

Upon its completion, the Ford Motor Company River Rouge Complex was the largest manufacturing center owned by a single company, measuring a mile and a half wide and more than a mile long. Within this space, the multiplex of buildings totaled over 15 million square feet of floor area. The Rouge Manufacturing Center is designated as a National Historic Landmark.

The first Rouge structure was Building B, also known as the Eagle Boat Building, currently the Dearborn Assembly Plant. Originally built in 1917 to manufacture the "Eagle" anti-submarine boats for the government during the First World War, this historic plant has undergone many renovations and additions, and received acclaim for its revolutionary industrial design.

A Glass Plant was added to the complex in 1923, designed by the renowned architect Albert Kahn. That same year, the Fordson Tractor, along with wood components for the Model T, rolled off the assembly line; Model A production began in 1927 and continued until 1932.

The Press Steel Parts Building, which later became the Dearborn Stamping Plant, opened in 1936. The Dearborn Tool and Die Plant followed in 1939. The Dearborn Engine and Fuel Tank Plant, built in 1941 by the government to produce Pratt and

Waste Generation

Figure 12 shows the total amount of waste generated by the manufacturing facilities in the Ford Rouge Center. These wastes include those that are generated as a result of automotive production processes, such as waste solvents, paint sludge, etc. and those that result from one-time activities, such as construction debris and soil removed for remediation. Scrap steel is not included in the waste data. Construction waste was a significant contributor to the increase in waste generation from 2001 to 2002.

Figure 12

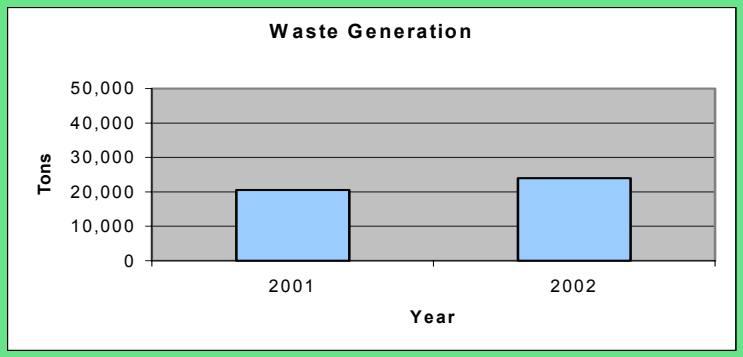


Figure 13 shows the weight percent breakdown of the waste generated at the Ford Rouge Center in 2002. The vast majority of the waste, over 98%, is non-hazardous. Hazardous waste, which includes waste paints and solvents, aerosol cans, etc., constitutes 1.34% of the waste stream. Hazardous waste is defined by federal, state and local regulations, and must be disposed of according to these regulations. Waste defined and regulated by the United States Toxic Substances Control Act (TSCA), which includes polychlorinated biphenyls (PCBs), asbestos, and medical waste, constitutes 0.12% of the waste stream. Universal waste, which includes batteries and fluorescent lamp tubes, is only 0.06% of the total waste stream.

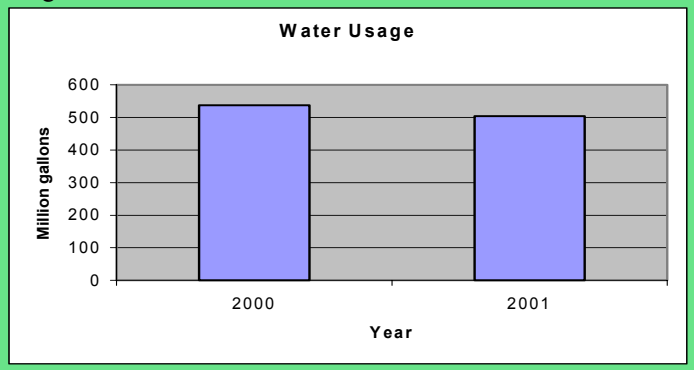
Figure 14 shows the ultimate disposition, by weight percent, of the waste generated at the Ford Rouge Center in 2002. 56.28% of the waste is landfilled. 42.31% is recycled. 1.33% of the waste is used for energy recovery. Incineration accounts for 0.01%, and other methods account for 0.07%.

Water Usage

Facilities within the Ford Rouge Center use water in a variety of ways, from sanitary to process to cooling. Figure 11 shows the total usage of potable water (publicly supplied water) for 2000 and 2001. Data for prior years is not available.

Process wastewater from Ford Rouge Center facilities is treated in one of four wastewater treatment plants on site. The treated water is then discharged to the Detroit Water and Sewerage Department. The Ford Rouge Center has a general storm water permit and storm water is discharged to the Rouge River.

Figure 11



In 2000, William Clay Ford, Jr. launched the Ford Global Water Management Initiative. This initiative covers not only water conservation, but also re-use of storm and process water and management of water quality. Each Ford plant worldwide, including the ones in the Ford Rouge Center, sets targets for reduction of water use.

Water Savings Project

In late 2002, a team consisting of Ford, GE Betz, and Global/Onyx employees completed a project that achieved better control of the city makeup water, thus improving the cooling efficiency of the weld water system at Dearborn Assembly Plant. This project will result in a potential year-over-year reduction of up to 90 million gallons of water usage by Dearborn Assembly Plant. Additionally, the project reduces the load on the local sanitary sewer system.

Compliance Information

None of the facilities in the Ford Rouge Center have received any fines or violations related to the Clean Water Act in the past three years.

Whitney aircraft engines, was purchased by Ford in 1947. The Dearborn Frame Plant was purchased in 1946 from the United States government, which had used the building to produce armor plating.

During the 1940s much production at the Rouge Complex was devoted to building parts for tanks, trucks, staff cars and jeep amphibians for the military, contributing to the overall Ford Motor Company war effort. In addition to the smaller parts produced, the Rouge facilities also built tank engines and armor plates, turbo superchargers for bomber aircraft, jettison fuel tanks, Pratt and Whitney aircraft engines, and parts and sub-assemblies for B-24 bombers.

Following the war, the complex returned to manufacturing automobiles, continuing to serve as a symbol of the opportunities available to American workers. In 1957, the Thunderbird was produced at Dearborn Assembly Plant; the Mustang has been produced at the plant since its 1964 debut. Over the years, Ford, Mercury, and Lincoln vehicles have all been built at the Rouge.

At its peak, more than 100,000 people worked at the Rouge, requiring an infrastructure including a multi-station fire department, a modern police force, a fully-staffed hospital, and a maintenance crew 5000 strong to accommodate their needs.

The Rouge Complex also saw the advent and evolution of the union movement in the form of the United Auto Workers. The first agreement between the company and the UAW was signed June 20, 1941.

During the 1950s and 1960s, the Rouge continued to produce vehicles. The early Ford, Fairlane, Ranchero, Falcon, Meteor and Cougar models were all produced at the Rouge. Since the 1970s, the Mustang has been the sole vehicle produced at the site. Steel production by Ford Motor Company ceased with the sale of the Steel Division in 1989.

Current Facilities at the Ford Rouge Center

Dearborn Assembly Plant:
2001 Year End Employees: Hourly: 1810 Salary: 171
Product: Ford Mustang
Year Opened: 1918
Plant Size (sq. ft.): 3,380,834
2001 Production (# units): 163,818

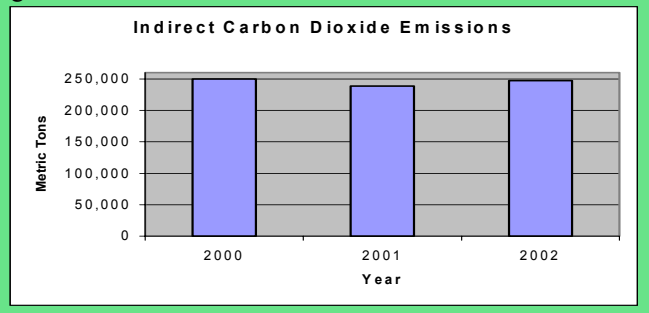
Dearborn Stamping Plant:
2001 Year End Employees: Hourly: 1155 Salary: 142
Products: Body and underbody panels
Year Opened: 1936
Plant Size (sq. ft.): 2,100,000
2001 Production (# units): 153,600 tons of steel

Dearborn Tool & Die Plant:
2001 Year End Employees: Hourly: 515 Salary: 47
Products: Stamping dies
Year Opened: 1939
Plant Size (sq. ft.): 367,500
2001 Production (# units): 118 dies

Dearborn Frame Plant:
2001 Year End Employees: Hourly: 676 Salary: 104
Products: Frames, subframes, cross members, quarter panels and wheel house panels
Year Opened: 1946
Plant Size (sq. ft.): 816,200
2001 Production: (# units): 464,741 units

Dearborn Engine and Fuel Tank Plant:
2001 Year End Employees: Hourly: 1064 Salary: 231
Products: 2.3 liter I-4 and 2.0 liter SPI engines and steel fuel tanks
Year Opened: 1941
Plant Size (sq. ft.): 2,300,000
2001 Production (# units): 1,877,515 fuel tanks, 223,831 engines

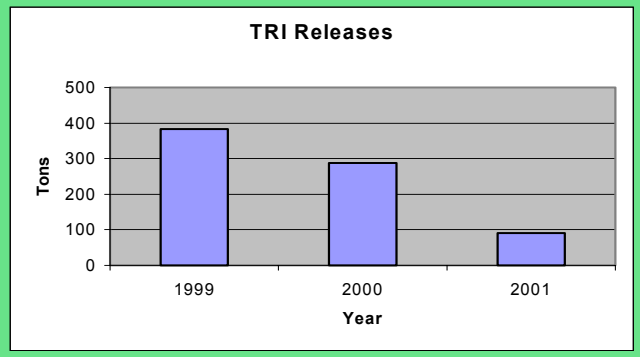
Figure 9



Toxic Release Inventory

Under the Emergency Planning and Community Right-to-Know Act (EPCRA), the United States Environmental Protection Agency requires all industrial facilities to evaluate their usage of over 600 chemicals, and to report on releases and transfers of those chemicals that exceed specified usage thresholds. These releases and transfers are all in accordance with the law and many of them are subject to permits. This reporting, called the Toxic Release Inventory, is submitted on July 1st of each year, covering the preceding calendar year. Figure 10 shows aggregated TRI release data for the facilities in the Ford Rouge Center. Releases from the Ford Rouge Center include the following: fugitive air emissions (from storage piles, etc.), point air emissions (e.g., from stacks), direct discharges to water, off-site land disposal, discharges to the Publicly Owned Treatment Works (POTW) and off-site transfers for treatment only for metals and metal compounds .

Figure 10



Compliance information
None of the facilities in the Ford Rouge Center have received any fines or violations related to EPCRA in the past three years.

Energy Usage

Figures 1 and 2 show the electricity and natural gas usage of the manufacturing facilities at the Ford Rouge Center. Energy usage has remained relatively constant over the past three years.

Energy efficiency features are an integral part of the new developments at the Ford Rouge Center. These are described in the "Future of the Ford Rouge Center" section at the end of this brochure.

Figure 1

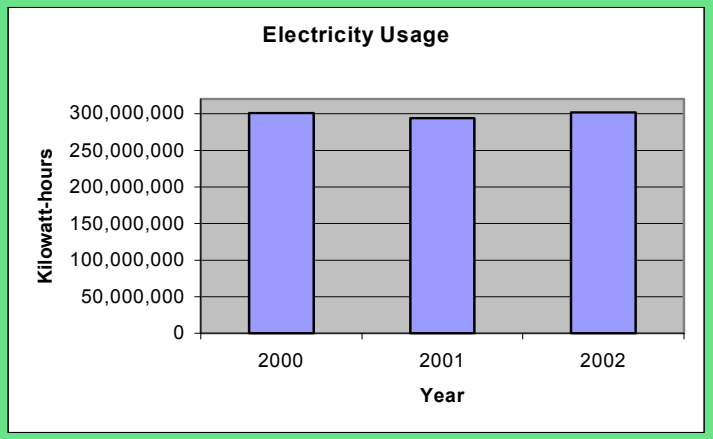


Figure 2

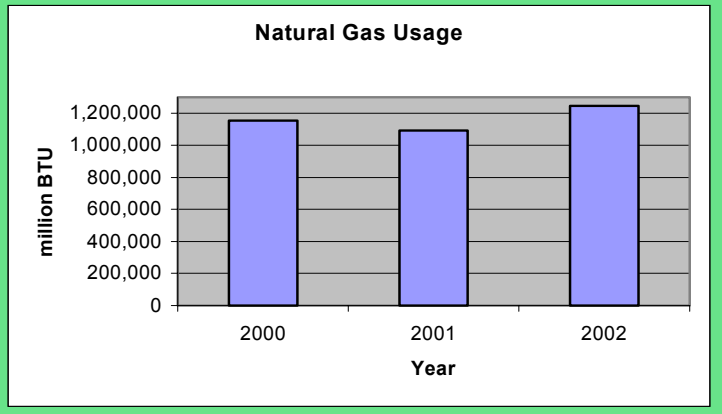


Figure 6

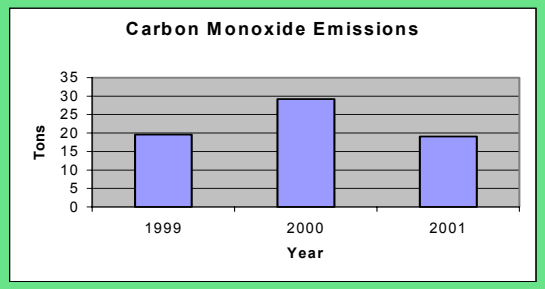


Figure 7

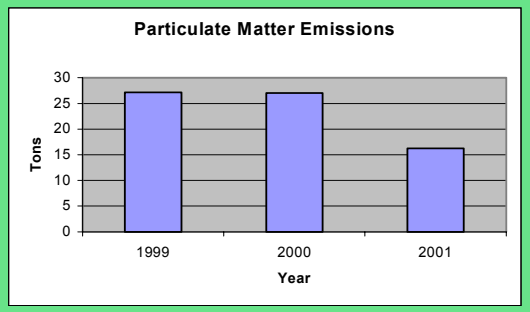
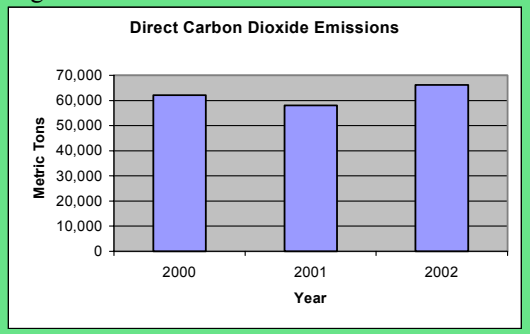


Figure 8



Air Emissions

Environmental laws regulate the release of air emissions by industrial facilities. The facilities within the Ford Rouge Center have permits from the Michigan Department of Environmental Quality which limit the amount and type of emissions that may be discharged to the air. Permit limits and conditions are set by the regulatory agency to be conservative and protective of human health and the environment.

Air emissions may include carbon monoxide, nitrogen oxides, sulfur oxides, particulate matter, and volatile organic compounds (VOCs). VOCs are carbon-containing compounds with relatively high vapor pressures, e.g., solvents used in the automotive painting process. Figures 3—8 show air emissions from the facilities in the Ford Rouge Center for 1999-2001, the most recent three years for which data was available at the time of preparation of this report. Emissions of VOCs, nitrogen oxides, sulfur oxides, particulate matter, and carbon monoxide decreased from 2000 to 2001 due to the introduction of advanced emissions control technology in the new paint shop.

Direct emissions of carbon dioxide are due to the use of natural gas and propane and reflect increases and decreases in the use of these materials. Figure 9 shows the indirect carbon dioxide emissions due to the facilities at the Ford Rouge Center. Indirect carbon dioxide emissions are those associated with the use of energy that was produced off-site, e.g., electricity produced by utilities. These were calculated using United States Department of Energy 1605b emission factors.

Compliance Information

In November, 1999, the Company reached agreement with U.S.EPA, the Michigan Department of Environmental Quality (MDEQ) and Wayne County on the terms of a judicial consent decree and related air emissions permits resulting from enforcement actions involving the Michigan Truck, Wayne Assembly, and Dearborn Assembly Plants. This matter involved alleged violations of certain emission-related permit limitations at the Dearborn and Wayne Assembly Plants. A number of the alleged violations stemmed from inconsistencies between operating permits issued to the plants by Wayne County and the MDEQ. Additionally, US EPA alleged that production was increased at the Michigan Truck Plant without proper permit approvals even though the Company had received written approval for the capacity increase from the Michigan Department of Environmental Quality. At no time during the alleged violations did the emissions from these plants exceed permit authorized levels. The settlement included a $1.1 million payment divided equally between the three agencies and a supplemental environmental project (SEP), valued at over $10 million, involving the installation of a waterborne primer system at the new Dearborn Truck Plant paint shop. In addition, the agencies agreed to correct the inconsistent state and county permit conditions covering the Dearborn and Wayne Assembly Plants.

Figure 3

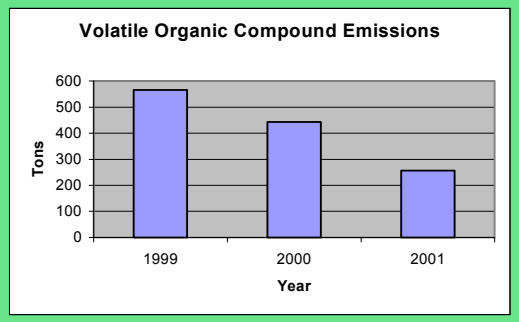


Figure 4

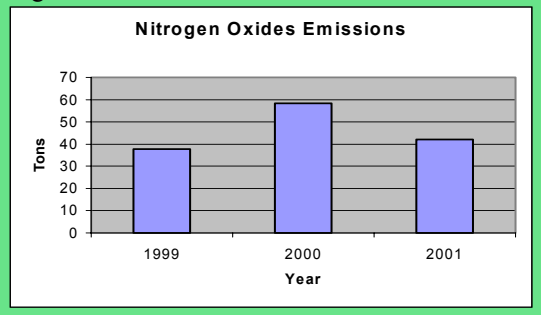


Figure 5