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Together, our whole Ford family – employees, contractors and dealers – is committed to delivering profitable growth for all and strengthening our local communities.

As global demand for our products continues to rise, we rely ever more on the skills and talents of our dedicated employees around the world and the dealers who sell our vehicles.

Our business is only as strong as the communities in which we all live and work. It is therefore in our mutual interest to support them and invest in them, through financial contributions and volunteering efforts, to improve quality of life and maintain trust. This support is aligned with our ambition to build a better world.

"I want us to be the company that makes a difference in people's lives – one that inspires its employees, delights its customers, rewards its shareholders and makes the world a better place."

Bill Ford

Executive Chairman, Ford Motor Company

How We've Gone Further



Investing in Our Workforce

Created 28,000 jobs and invested \$12 billion in our U.S. plants Since 2012



A Safe, Healthy Workplace

Our lost-time case rate fell to 0.39



Creating an Inclusive Environment

Honored 40 teams and individuals from 12 countries through our annual Global Diversity and Inclusion Awards



Strengthening Our Communities

\$1.5 billion invested in civic organizations by Ford Fund Total to date



Supporting Good Causes

204,000 volunteering hours in 2016 Donated by the Ford Volunteer Corps



The Generosity of Our Dealers

\$100 million and 800,000 hours given to good causes and nonprofits U.S. Ford and Lincoln dealers, 2016

IN THIS SECTION

- Our People
- · Ford in the Community
- Dealers

Our People

Our success depends on having a great place to work and a motivated, skilled workforce that meets, if not exceeds, our customers' changing needs and expectations. Attracting the right people ensures a healthy talent pipeline, and providing effective training and development opportunities helps them achieve their potential. We remain committed to the health and safety of our people, and to advancing diversity and inclusion in our operations.

Talent on Six Continents

At the end of 2016, we employed 201,287 people in 71 facilities – approximately 2,200 more than at the end of 2015.

This growth in jobs is largely associated with investments in our existing facilities to expand production capacity, roll out new product launches and explore opportunities in emerging markets such as electric and autonomous vehicles.

> See more detail about our workforce profile

Investing in New Jobs Globally

Working with our partners, and through <u>collective bargaining</u> <u>agreements</u>, we have created 28,000 jobs in the United States and invested \$12 billion in our U.S. plants during the past five years. And for every one of those jobs, we know a further seven employment opportunities are created in the local community among our suppliers and other associated industries.

Ford **builds more vehicles** in the United States and **employs more hourly U.S. workers** than any other automaker.

As part of our efforts to fully utilize the capacity we have in existing facilities, we're investing \$700 million to transform and expand our Flat Rock Assembly Plant in Michigan, creating a new manufacturing innovation center and 700 jobs. Upgrades to our Livonia Transmission Plant and Ohio Assembly Plant will also create or retain 650 hourly jobs, while a further 150 jobs will be generated or secured with a \$145 million investment in the Cleveland Engine Plant. In March 2017, we also announced a \$1.2 billion investment in three Michigan manufacturing facilities.

Beyond the United States:

- We have announced a \$1.2 billion investment in our Canadian operations over the next four years; this will include a new research and development center in Ottawa, where 295 engineers will be hired to work on developing autonomous and connected vehicles
- We have invested \$170 million in our Silverton Assembly Plant in Pretoria, creating 1,200 new jobs at Ford South Africa and within our supplier network

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Our Strategic Priorities

Our people vision

is to be recognized for world-class human resources (HR) solutions and business partnerships.

Our people mission

is to deliver high-impact, innovative workforce solutions and experiences that make employees' lives better.

Creating a Great Employee Experience

Throughout the world, we want Ford to be an employer of choice, offering competitive compensation and benefits, challenging and rewarding work, and the opportunity to be part of a leading company with a diverse workforce and great products. We will do this by:

- Creating a high-performing, diverse and inclusive workforce that is empowered, collaborative, engaged, safe and healthy
- Using employee-centric, high-value, integrated and streamlined workforce solutions that make employees' lives better
- Developing a great place to work with a strong employer brand

Building a Capable and Effective Workforce

To compete for potential recruits and ensure our future success, we have been standardizing, simplifying and integrating our process for managing talent. This has involved:

- Creating an organization that drives learning, teaching, coaching and mentoring to develop our people
- Fit-for-purpose development including functional, professional and leadership capabilities
- · Agile and collaborative organizations and teams

To achieve these strategic priorities, we rely on a skilled and motivated HR team whose capacity to make employees' lives better has been enhanced through the use of world-class technology.

Making Employees' Lives Better

Mirroring our corporate purpose to make people's lives better by changing the way the world moves, we are making employees' lives better by changing the way we work. To help achieve this and meet our 2030 aspirations, we have begun to roll out a new human resources (HR) transformation program.

Changing the Way We Work

The automotive industry is rapidly evolving and the magnitude of change is unprecedented, due to factors such as rapid technological innovation, changing customer expectations, and an increasingly crowded and urbanized world.

Our response is to transform into an automotive and mobility company, a fundamental change that means transforming our people strategy too. So in 2016, our global HR organization embarked on a multi-year journey to transform how we work.

This program, called HRRev, seeks to use next-generation technology to streamline our people processes, making them simpler, more efficient and more meaningful to all who work at Ford.

A fundamental aspect of the program, driven from the top by our former President and CEO Mark Fields and our Group Vice President of Human Resources and Corporate Services Felicia Fields, is a shift in emphasis to improve the experience of our employees at work. It's a streamlined, employee-centric approach that aims to empower our people through collaboration and integration.



HRRev People Shifts

This more innovative mind-set is demonstrated in a range of "people shifts" as outlined below. We have identified four key areas where we believe we have a significant impact on our employees' experience, and are starting to develop processes and guidelines that are designed to increase emphasis on areas that need more attention.

Shifting the Emphasis of Our People Principles



without lengthy policies or complex rules, and promoting more sharing across the organization

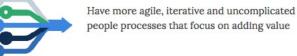


A greater focus on high-performing teams and partnerships, with joint responsibility and accountability for our success



Seeking employees' opinions more frequently, to better understand their priorities and concerns, and create more solutions that are fit for purpose and employee-focused





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In support of this change in mind-set, we are transforming how we work across the company to drive business results. This includes how we:

- Attract, retain and develop talent through a more personalized employee experience
- Use the latest technology to improve processes, increase usability and accessibility, and provide analytics and insights to inform decision making
- Free up capacity and expertise to support high-value strategic business needs
- Leverage centralized Shared Service Centers to provide greater consistency and quality, achieve economies of scale and make us more responsive to the ever-changing business environment

The People Lab

To fully understand and address the challenge of transforming our processes, a group of HR leaders joined forces to benchmark and gather data from inside and outside the company. Based on their findings, we created a People Lab: seven HR employees from all regions and levels of the organization. The team's task was to deeply understand employee feedback, explore best-in-industry practices and find ways to simplify and streamline our processes.

Rather than using pilot studies, their work involved devising experiments to address issues such as pay for performance and supervisor feedback. These were designed to follow a scientific method, involving hypothesis setting, testing and measuring results against expected outcomes, enabling us to get deeper insight into the user experience, observe behavior and scientifically test interventions to guide process design.

"The Lab was one of the most rewarding and challenging experiences of my career. Everything about it was unique: our approach, the data we leveraged, even our dialogue. Yet, what made it special was the shared passion that grew quickly out of our desire to make working at Ford better for everyone. The opportunities we identified will not only enable us to deliver on our business strategy, but also create meaningful and lasting impact for our employees for years to come."

Kyle Worthing

HR Business Partner - The Americas; People Lab participant

Recognition for HRRev

In recognition of our efforts to make employees' lives better through innovations in people practices, Ford was one of five leading organizations honored with the Next Practices Award by human capital research firm i4cp.

HRRev was also featured in the <u>2017 Deloitte Global Human</u> <u>Capital Trends</u> report, published by Deloitte (see "Lessons from the front lines").

Employee Engagement and Satisfaction

Communicating With Our People

We use a range of channels to communicate with employees with different experience and interests in timely and efficient ways. These include: our intranet site and website; annual reports and corporate publications; social media channels; webcasts and executive Q&A sessions with senior management; labor-management committee meetings; "Town Hall" meetings; Employee Resource Group (ERG) initiatives; and employee surveys.

Assessing Employee Satisfaction

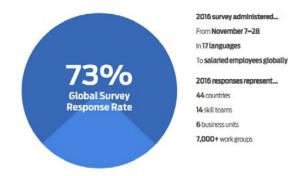
Each year, we conduct our Global Pulse Survey, through which our people are encouraged to provide honest feedback about their satisfaction with the company, their jobs and their workplace.

Managers and supervisors are given a report highlighting how their teams and/or plants responded to the Pulse Survey. These are intended to inform discussions and improvement plans, contributing to a steady increase in Pulse scores, an annual performance objective for many senior managers. The results are also benchmarked externally.

2016 Global Pulse Survey Results

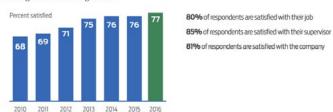
This year marked a refresh of the Pulse Survey. We made changes to the content, manager reports and the cadence of the survey. Overall, employees are satisfied with the company and their workgroups. Results have improved year over year and we continue to exceed external benchmarks.

The Pulse is an important source of global feedback



What are employees saying?

Overall, Ford employees are satisified. Scores continue to improve year over year, indicating a positive working environment in general.



How do we compare?

Ford continues to exceed external scores on the Employee Satisfaction Index (ESI) and all questions that are benchmarked.



2016 Employee Satisfaction Index



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Health and Safety

We are committed to ensuring that our people stay safe and healthy. We have robust policies and practices in place throughout our operations to measure our health and safety performance, demonstrate progress and identify areas for improvement.

OUR APPROACH

How We Manage Health and Safety

Accountability for health and safety performance is established through business planning, policies and scorecards. Business operation and plant managers are responsible for health and safety in the operations they manage, and safety performance forms part of the scorecards of relevant salaried employees. Our president and CEO, our senior operating team, global Manufacturing Operating Committee and regional Occupational Health and Safety (OHS) committees all review safety performance regularly.

Our efforts are guided by our OHS policy, established through corporate Policy Letters and Directives, and our global OHS standards cover all relevant issues, from workplace safety to ergonomics and occupational hygiene to toxicology.

Our Safety Operating System (SOS), part of our overall manufacturing strategy, provides for the health and safety of our employees, and most of our manufacturing facilities have joint union/management safety committees to guide, develop and implement safety programs.

Reinforcing Our Strong Safety Culture

Our safety vision

is to achieve no fatalities or serious injuries, and to protect and continually improve the health of our workforce.

Our strong safety culture relies on effective communication and reinforcement through a variety of channels, engaging all employees and contractors in understanding and adhering to safety programs and policies. We hold regular safety talks and occasional safety standdowns at our plants to focus on key issues, and also use the START Card process to identify when to conduct pre-task briefings and safety assessments.

All employees are encouraged to alert management to every injury or hazard, so that we can take corrective actions and create a safer workplace for everyone. Should a significant incident occur, we can alert health and safety experts at our other facilities so that appropriate action can be taken if necessary.

An Increased Focus on Prevention

Our efforts to make safety a core value across our operations have gone beyond response, toward prevention.

We now use "leading" metrics, such as potentially serious incidents without injury and closure time for identified safety improvements by employees, in our safety scorecard. In 2016, we had 208 high-potential reported events that could have had serious consequences, but didn't. Each incident was investigated, and we implemented a number of preventive measures.

Globally, we are always looking to utilize new technologies in an innovative way. In 2015, we created a global collaborative robot technical committee that includes cross-functional representation from engineering, operations, safety and our union partners. Our objective was to create a global standard to ensure the safe design and implementation of collaborative robot applications. Collaborative robots provide us with an innovative approach to reducing or eliminating risk factors that have been difficult to solve in the past. An initial pilot application was successfully launched in Thailand in 2015.

At the end of 2016, we were successful in implementing additional collaborative robot applications in India and the U.K., with further projects planned for introduction in North American manufacturing sites in 2017.

As well as striving to predict and eliminate risks during the design stage using "virtual manufacturing" technology, we rely on good relationships with our stakeholders to identify, analyze and eliminate other potential risks. We continue to collaborate with unions to help address unsafe behaviors, and maintain external relationships with regulatory agencies and professional organizations such as the U.S. Occupational Safety and Health Administration.

CASE STUDY

Robot Eases Employee Strain in Cologne

Employees assembling the Ford Fiesta at our Cologne Vehicle Operations in Germany are working hand in hand with a collaborative robot (co-bot). In the past, employees mounting shock absorbers had to lift 4.5 kilograms over their heads every 77 seconds.

Now, the co-bot automatically puts the screws and shock absorbers into position, eliminating the need for repetitive and strenuous lifting, and reducing the risk of back strain. The robot is flexible and adjustable so it can be customized to each individual employee, and can also adapt to changes in line speed.

> See how co-bots work alongside humans on our production lines.

OUR PERFORMANCE Our Safety Record in 2016

Every life is valued and precious, and any loss of life or serious injury in our facilities – whether it is a Ford employee, contractor, supplier or any other visitor – is unacceptable. Although we've made great strides in safety across our business, regrettably, in 2016, there were two fatalities among Ford employees – the first for seven years. One occurred in Europe and the other (a non-work-related act of violence) in North America; there was also one fatality among contractors working at our facilities. The circumstances were analyzed in detail and actions were taken to prevent future incidents of a similar nature.

Another key safety indicator, lost-time case rate, now stands at 0.39 cases with one or more days away from work per 200,000 hours.

Lost-Time Case Rate

	Cases per 200,000 hours worked		
	2014	2015	2016
Ford Global Rate	0.38	0.43	0.39
U.S. Motor Vehicle Manufacturing (NAICS 3361/SIC 3711)	1.9	1.6	NA¹

Data notes and analysis:

NA = Not available.

1. Annual data from the Bureau of Labor Statistics unavailable at the time of publication.

Benchmarking Our Performance

Internal benchmarking enables us to replicate best practices from around the business, and share the attributes that drive health and safety excellence. These are honored in our annual President's Health and Safety Award program, which recognizes leadership and innovation in workplace health and safety, and supports the development of a robust safety operating system. Presented at a global and regional level, the awards include:

- Safety innovations in manufacturing and non-manufacturing operations, safety excellence and safety leadership
- · Ford plants with the lowest lost-time case rates
- Our Health & Safety professional of the year and career achievement categories
- · Lifesaving awards in recognition of emergency interventions

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External benchmarking helps us to achieve best-in-class performance. We participate in multi-industry groups, including auto industry peers and companies from other sectors, which share information on safety performance and industry trends, and explore potential collaborations to address current issues.

> See more detail about our health and safety performance

EMPLOYEE HEALTH AND WELL-BEING Tailored Offerings and Informed Choices

Our health vision

is to foster knowledgeable employees, engaged in their own health and well-being, to Go Further at work, home and into retirement.

The health and well-being of our workforce remains a priority for us and is a key driver of performance. Our mission is to support the ONE Ford plan by providing innovative, high-quality programs and services that empower employees to achieve health and well-being.

We tailor our offerings to meet individual and local priorities, and provide resources to help individuals make informed choices as they interact with the health care system. In 2016, 80 percent of our U.S. salaried workforce participated in our annual wellness requirements, which are designed to help our health plan participants to establish a relationship with a personal primary care physician, gain a better understanding of their own health status and receive appropriate preventive care.

To meet their annual wellness requirements, our enrolled employees and their spouses must be screened by their personal physician and complete an online health assessment. If an employee meets the wellness requirements, the employee (and their family, if enrolled) will achieve the Enhanced Benefit Level and enjoy reduced out-of-pocket costs when they receive medical care.

Around the world, the cost of health care insurance is significant, so helping our employees to avoid serious diseases and effectively manage chronic conditions has a positive impact on their quality of life and on our success. Promoting health among our employees also contributes to healthier communities in general, as good habits tend to be shared with friends and family.

Employee Diversity and Inclusion

We embrace diversity and inclusion at every level of the company, and take pride in a workforce that reflects the communities in which we live and work. The different backgrounds, opinions, experiences and perspectives of our employees make us a stronger business, and help to foster a truly collaborative workplace.

"We recognize that having a diverse and inclusive workforce allows us to leverage a wider range of innovative ideas to make our customers' lives better."

Felicia Fields

Group Vice President, Human Resources and Corporate Services, Ford Motor Company

HOW WE MANAGE DIVERSITY Building an Inclusive Environment

Our diversity and inclusion vision

is to have an environment that fosters skilled and motivated people working together to drive innovation and deliver results in support of our core business and emerging opportunities.

As an equal opportunity employer, Ford considers all qualified applicants for employment without regard to race, religion, color, age, sex, national origin, sexual orientation, gender identity, disability status or protected veteran status.

We incorporate diversity throughout our enterprise to leverage our skills, drive business success and serve our communities. The inclusive environment also encourages our employees to recognize and respect colleagues' differences, pursue professional and personal development, and maximize the benefits derived from a diverse workforce.

Diversity and inclusion is a collaborative effort requiring cross-functional collaboration within Ford, as well as with <u>dealer groups</u> and <u>supplier organizations</u>.

Exemplifying our approach, Bill Ford, Executive Chairman, and Mark Fields, our former President and CEO, made a joint statement to employees in late January 2017, saying that the company did not support President Trump's executive order banning those from seven Middle Eastern countries from entering the U.S. for a period of 90 days.

"Respect for all people is a core value of Ford Motor Company, and we are proud of the rich diversity of our company here at home and around the world. That is why we do not support this policy or any other that goes against our values as a company. We will continue working to ensure the well-being of our employees by promoting the values of respect and inclusion in the workplace."

Bill Ford

Executive Chairman, Ford Motor Company

Our Five Focus Areas

Our diversity and inclusion efforts are aligned with five strategic areas of focus:



Leading the Way

Led by our CEO, our executive leadership team champions diversity and inclusion, integrating them into business objectives and human resources processes.



Diverse Workforce

Attracting, developing and retaining a diverse workforce is needed to succeed in our global marketplace. Our Employee Resource Groups (ERGs) are essential to this strategy. They seek to foster cross-functional connections, support mentoring and networking, and provide professional and leadership development opportunities for employees from particular ethnic backgrounds; veteran and military employees; employees with disabilities; female professionals; working parents; lesbian, gay, bisexual and transgender employees; and groups for employees of faith. Employees from all backgrounds are welcome to participate in any ERG. These voluntary, employee-led groups also enhance our ability to attract and retain a diverse workforce.



Respectful and Inclusive Workforce

We promote employee accountability for inclusion by communicating expected behaviors via our Intranet site and through training, and by highlighting the winners of diversity and inclusion awards in internal newsletters. Other resources include employee assistance programs, wellness initiatives, rooms for nursing mothers and meditation rooms.



Work-life Flexibility

Work-life flexibility creates a competitive advantage across our global, multi-generational workforce. Options including reduced and flexible schedules, job sharing, telecommuting, digital tools to improve productivity and communication tools are made available to many employees.

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Strategic Partnerships

In collaboration with other agencies, our businesses around the world develop partnerships to promote diversity and inclusion within the communities and within the company:

- Working with the Robert Clack School, Ford in the U.K. provides inspiring interventions and initiatives to encourage children from the Dagenham area to aim higher. The partnership includes one-to-one mentoring, site visits, career support and work experience, as well as financial and practical support to assist students.
- UAW-Ford and Wounded Warriors Family Support
 provide a six-week training program in welding for
 U.S. military veterans at our Technical Training Center,
 preparing participants to pursue apprenticeships and
 entry-level positions in the automotive sector, as well as
 shipbuilding and construction.
- In June 2016, Ford launched a U.S. pilot partnering with Autism Alliance of Michigan (AAoM) offering individuals with autism on-the-job work experience – see case study below.
- Working with the Blind People's Association, Ford
 of India conducted a site audit of the Sanand plant,
 gaining insight and recommendations for changes that
 would make the site more suited to differently abled
 individuals.
- The Society of Women Engineers has teamed up with re-entry firm iRelaunch to create opportunities for engineers interested in getting back to their technical careers. Ford will be participating in this program in 2017.

CASE STUDY

FordWorks for Individuals With Autism

In June 2016, Ford and Autism Alliance of Michigan (AAoM) began a collaboration to provide individuals with autism with an opportunity to gain on-the-job experience with the company. The training program is funded by AAoM.

Five new positions in our product development organization were created to suit the skills and capabilities of people with autism, who bring a unique set of talents to our business. As part of this pilot scheme, Ford will evaluate participants for future employment, as well as the program in general. If there is a potential fit, the individual will enter into Ford's standard recruiting process.

Through FordWorks, individuals with autism gain work experience, and also contribute to business objectives and enhance diversity and inclusion at Ford. The program supports the company's goal to contribute to a better world and support the communities in which it operates.

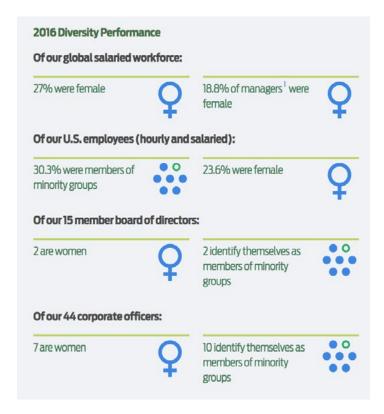
"For so many individuals with autism spectrum disorder, getting and keeping a job is a challenge. Often, companies lack understanding of the unique characteristics associated with autism. I applaud Ford for taking these critical steps to understand autism, and for giving those who have struggled to find competitive employment real career opportunities that could be life changing for them."

Colleen Allen

President and CEO, Autism Alliance of Michigan

> Watch a video about the program.

HOW WE'RE DOING



- > More information on our U.S. workforce can be found in the GRI Index
- > Find out more about our diversity and inclusion performance
- 1. Middle management and above.

Internal Awards and Recognition

Global Diversity and Inclusion Awards

In 2016, we honored 40 teams and individuals from 12 countries through our annual Global Diversity and Inclusion Awards, which recognize those employees who "Go Further." More than 600 nominations were received from colleagues across the business. The Diversity and Inclusion Awards highlight how utilizing our diverse talents and experiences can help to build a stronger company.

The winners included:

- The Ford Chinese Association, an ERG that has helped attract, develop and retain a diverse workforce and partnered across skill teams, countries and regions to facilitate diverse teams that capitalize on business opportunities in the Chinese market.
- The Global Data, Insight and Analytics Forecast Team, for creating a
 data-driven analytical framework to identify key drivers and develop
 forecasts, and for displaying great resilience in the face of adversity,
 when power and infrastructure were severely disrupted during
 flooding in Chennai.
- Automotive Fuel Cell Cooperation Corporation (AFCC), a joint venture with Daimler AG located in Vancouver, Canada, for its transition to a Coaching Culture, in which 25 senior leaders and managers have been trained in the Coaches Training Institute (CTI) "Co-Active" whole-life coaching model.
- The Asia-Pacific Work Flexibility Team, for identifying initiatives to apply across the region and providing guidelines for flexible market implementation.

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Chairman's Leadership Awards for Diversity

Ford of Europe holds the annual Chairman's Leadership Awards for Diversity (CLAD), which also seek to celebrate the success of our diversity, inclusion and work-life efforts. These awards highlight the achievements of individuals and teams who have contributed to the overall success of Ford of Europe in its aim to build a diverse and inclusive culture that drives business results. 2016 was our most successful year yet, with 136 nominations (covering almost 1,000 people) across nine countries – a 60 percent increase over 2015.

External Recognition

We have received many awards from publications and organizations for our efforts on diversity and inclusion. Those received in 2016/17 include:

- Human Rights Campaign 2016 (U.S.)
- Equal Opportunity magazine: 2016 Top 50 Employers (U.S.)
- Latino Magazine: Top 100 Employers (U.S.)
- U.S. Veterans Magazine: Top Veteran-Friendly Employers (U.S.)
- Black EOE Journal: 2016 Best of the Best Top Diversity Employers (U.S.)
- Top 100 Employers magazine, The Globe/Mail (Canada)
- 2016 Working Mother & AVTAR Best Companies to Work for Women in India (India)
- Taiwan Council of Labor Bureau: Work-Life Balance Award (Taiwan)
- 51 Jobs: Best Employer Award (China)
- ENEI: Community Impact Award 2016 (U.K.)
- Trailblazing Transparency Award Best Practice Employer (Ford of Europe)
- Universum: World's Most Attractive Employer List Engineering, Business (Global)
- Universum: Most Attractive Employer List Engineering (Germany)
- Universum: Most Attractive Employer List Engineering, Business (Mexico)
- Great Place to Work Institute: 2016 Top 20 Places for Women to Work "Woman Award" (Ford Credit Brazil)

Another Perfect Score in Corporate Equality Index

In December 2016, Ford once again earned 100 percent on the Human Rights Campaign 2017 Corporate Equality Index, a national benchmarking survey related to lesbian, gay, bisexual and transgender (LGBT) equality in the workplace. Ford has received a perfect score every year since 2004. The 2017 Index rated 1,043 businesses on LGBT-related corporate policies and practices such as nondiscrimination protection, domestic partner benefits, transgender-inclusive health care benefits, competency programs and public engagement with the LGBT community.

Supplier Diversity

We are committed to working with and supporting supplier companies owned by minorities, women and veterans, creating business opportunities that enable them to become profitable and sustainable enterprises.

Promoting a Diverse Supply Chain

We recognize that a diverse supply base is an integral part of our overall success, providing fresh perspectives that lead to cutting-edge innovations and accelerated business development. We continue to foster productive relationships with entrepreneurs from a wide range of backgrounds to meet our customers' needs and expectations.

We have long worked with business leaders, trade associations and community organizations representing the interests of diverse businesses, earning Ford a seat at the Billion Dollar Roundtable (BDR), an exclusive group of 22 companies that purchase at least \$1 billion a year from diverse suppliers. The BDR encourages businesses to extend their supplier diversity programs and increase spending levels each year.

Demonstrating our commitment, we are playing a leading role in two major supplier diversity advocacy organizations from January 2016 to December 2017. Joe Hinrichs, Executive Vice President and President, Global Operations (formerly Executive Vice President and President, The Americas), is currently Chairman of the Board for the National Minority Supplier Development Council (NMSDC) while Hau Thai-Tang, Executive Vice President, Product Development and Purchasing (formerly Group Vice President, Global Purchasing), is serving as Chairman of the Michigan Minority Supplier Development Council (MMSDC).

Our Progress

Ford's Supplier Diversity Development (SDD) Program is nationally recognized for its leadership and success in driving innovative best practices; these result in productive business partnerships with diverse entrepreneurs, and valuable products and services for our customers. To date, it has sourced more than \$100 billion in goods and services from minority-, women- and veteran-owned businesses.

In 2016, Ford purchased goods and services worth:

- \$8.8 billion from minority-owned suppliers
- \$2.4 billion from women-owned businesses
- \$1.1 billion from veteran-owned companies

Awards and Recognition

In 2016, our SDD Program received external recognition from a wide range of awards, rankings and rating agencies, suggesting that we continue to perform well against our goal to "maintain leadership in supplier diversity." Several of our people were also recipients of honors and accolades, as detailed below.

Major Recognition for Ford's Supplier Diversity Program

- Michigan Trade Summit Lifetime International Achievement Award
- Women's Business Enterprise National Council Corporation of the Year
- Great Lakes Women's Business Council Corporation of the Year
- Minority Business Development Agency Distinguished Supplier Diversity Award
- National Minority Supplier Development Council Corporate Innovation Award
- Michigan Hispanic Chamber of Commerce Corporation of the Year
- MBN USA Magazine 101 Most Admired Companies in Supplier Diversity
- Hispanic Network Top Diversity Employers
- Hispanic Network Magazine Top Supplier Diversity Programs

Individual Awards for Ford Employees

- MBN USA Magazine:
 - Champion of Supplier Diversity: Hau Thai-Tang, Executive Vice President, Product Development and Purchasing (formerly Group Vice President, Global Purchasing)
 - Champion of Supplier Diversity: Stephanie Williams, Supplier Diversity Development Manager
 - 2016 "Best-in-Class" Chief Procurement Officers: Hau Thai-Tang, Executive Vice President, Product Development and Purchasing (formerly Group Vice President, Global Purchasing)
 - 2016 "Best-in-Class" Executive Champions: Renee Jones, Director, Supplier Diversity Development and Supply Chain Sustainability
 - 2016 "Best-in-Class" Supplier Diversity Professionals: Stephanie Williams, Supplier Diversity Development Manager

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- Auto Show Press Week Multicultural Media Luncheon, Lifetime Achievement Award: Hau Thai-Tang, Executive Vice President, Product Development and Purchasing (formerly Group Vice President, Global Purchasing)
- Veteran-Owned Business Roundtable, Leadership Award: Hau Thai-Tang, Group Vice President, Global Purchasing
- WE USA Magazine, Women's Enterprise USA's Top 100 Leaders in Supplier Diversity: Stephanie Williams, Supplier Diversity Development Manager

Employee Attraction and Retention

As well as attracting the right people with the right skills, we seek to engage with them and support them to ensure they stay with the company. We use smart and mobile technology, including social media, to make the hiring process more efficient and more positive for the candidates.

Finding the Right Talent

To help attract a diverse range of qualified job candidates, we partner with professional organizations, and seek to build relationships with top universities to find the best students and recent graduates. In many cases, our executives visit campuses to share information and meet the next generation of potential automotive leaders.

In addition, we attend meetings in the communities in which we live and work to foster relationships with individuals and companies, to build connections and expand collaboration.

But in this age of the internet and social media, our approach to attracting talent increasingly makes use of mobile and online technology to make the process more efficient and effective:



Hackathons

In the U.S., Ford participates in hackathons, both on campus to support college students and via non-campus events such as <u>Global Hack VI</u>. These events, at which programmers, software developers and interface designers collaborate intensively on a particular challenge or task, help us engage with the software community, share the projects we're working on and build awareness of Ford as a technology employer of choice.



Geofilters

With apps like SnapChat, we are using geofilters at our Ford Day events and at professional organization conferences to let more people know we're available to answer their career questions. Through filters on the platforms they already use, we can inform students about on-site events they may not have known about previously.



Online Careers Fairs and Talks

Virtual careers fairs are another great way to reach students and alumni. We use them – from niche fairs for software engineers to broader virtual college career fairs – across the U.S., enabling us to interact with more candidates in a cost-effective way.

Similarly, in China, we use mobile technology to increase our engagement with potential hires, offering online sessions alongside traditional on-campus events. Online Campus Talk, which can be accessed and replayed at any time from any location, includes recorded videos, downloadable materials and a live questions-and-answers function. To date, more than 2,000 students from hundreds of universities have viewed 48,000 hours of information about careers at Ford.

Keeping the Best Onboard

We know that once the right candidates are hired, it is equally important to provide them with a strong and positive onboarding experience that will improve employee retention. For example, our onboarding program in the U.S., Get Started, provides new employees with the tools and networks they need to be productive as soon as possible.

This program includes an overview of the company and the resources available to new recruits, as well as a corporate orientation, including presentations, Q&As with each skill team area and meet-and-greets with Ford's senior leaders. We are now leveraging The Hub, an internal social media platform, to further engage our new employees and build the Get Started community.

Our efforts in attracting, engaging and developing our people is reflected in our excellent retention rates, with our Voluntary Quit Rate below the market benchmark in all major markets in the Americas, Europe and Asia Pacific.

> See our Voluntary Quit Rate data in detail

Why Ford? Why Stay?

In a recent series of focus groups with employees from all regions, we asked why people were attracted to Ford and why they stayed with the company.

In particular, participants had positive things to say about:

- · Ford's history, reputation and brand value
- The career development opportunities available, including the ability to rotate jobs and move locations
- The range of formal and informal training opportunities
- The importance of diversity
- The people, the family culture and Ford's values

Building a Talent Pipeline

To strengthen our pipeline of potential future talent, we have developed a consistent global strategy that focuses on STEAM (science, technology, engineering, arts and math) programs.

Investing in Technology and Innovation

We continue to assess and invest in STEAM programs to inspire an interest in technology and innovation among schoolchildren. Our mission is to develop and deliver innovative, aligned programs for students and educators around the world, prioritizing programs that leverage skills and foster long-lasting partnerships and engagement that nurture technical talent.

As part of our approach, we run "Powered by Ford" STEM Academies to attract high-school students and prepare them for life in the real world. Attendees learn core academic subjects as well as getting involved in engineering, information technology and manufacturing projects, often conducted at our facilities.

In an effort to drive social mobility, we've also awarded millions of dollars in scholarships, providing high-achieving college-bound students with much-needed financial support for their studies. Worth up to \$10,000 each, we awarded 100 Blue Oval STEAM Scholarships in 2016, up from 80 in 2015.

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Our Support for STEAM Programs

FIRST® Robotics

With limited resources and tight timelines, groups of students participating in <u>FIRST® Robotics</u> are challenged to fund, build and program robots to perform certain tasks, competing against other teams.

Ford gives grants for elementary-, middle- and high-school teams, and in 2016, we increased our financial support and mentor engagement. In addition to the 100+ elementary- and middle-school teams, and 87 high-school teams, that participated across the different challenges during 2016–17, about 200 employees volunteered to mentor Ford-sponsored teams.

As part of our commitment to the initiative, we sponsored and supported two FIRST® Robotics District Championships hosted by Kettering University, with two of our STEAM Executive Council leaders, Sue Leone and Brad Simmons, representing Ford as keynote speakers. We also sponsored the FIRST® Robotics Kickoff event at the Michigan Engineering Zone in Detroit.

Ford STEM High School Community Challenge

Ford Next Generation Learning (NGL), a signature program of Ford. Fund, has teamed up with the Ford STEAM program to award \$50,000 in grants to creative high-school students who are putting their technical skills to good use.

Building on the success of Ford's College Community Challenge (C3), the Ford STEM High School Community Challenge empowers students to make a positive difference in their communities. Student leadership and participation of community partners are essential aspects of the winning proposals, which sought to address unmet needs in technology, alternative energy, health and other areas.

Six teams from across the United States were selected to implement their inventive solutions. The winners, Whites Creek High School in Nashville, Tennessee, were awarded \$20,000 to convert a Ford F-Series truck and tractor to run on renewable hydrogen fuel. The students will also develop a solar farm to produce electricity and power the new hydrogen processor they plan to build.

The runners-up, Guilford High School in Rockford, Illinois, will use their \$10,000 award to develop solar-powered charging stations with LED lights throughout the city, and create an outdoor learning lab at their school. Four other teams, from Florida, Texas and Georgia, each received \$5,000.

> Learn more about this year's winning projects

Girls Who Code

To help address the significant under-representation of women in the tech industry, we've paired up with <u>Girls Who Code</u>, an organization working to inspire, educate and equip young women with the skills needed to pursue academic and career opportunities in computing.

At the Ford Research & Innovation Center (RIC) in Palo Alto, California, we've teamed up with the national nonprofit to provide opportunities for young women interested in science, technology, engineering and math (STEM).

Girls Who Code programs across the U.S. combine instruction in robotics, web design and mobile development with access to, and mentorship from, top engineers at RIC. This gives students exposure to real-life role models and hands-on experience on projects at our Silicon Valley research lab.

> Read more about our partnership with Girls Who Code

Employee Learning and Development

Developing the skills and capabilities of our people is a key part of our strategic priority to build a capable and effective workforce.

Our learning and development vision

is to create a learning organization where everyone has a passion for learning and the capability to continuously improve and transform the organization.

Our learning and development mission

is to enable, encourage and provide high-impact learning experiences that make employees' lives better and drive business growth and transformation.

A Learning Culture

Leadership and Professional Development

To build our capabilities, we continuously invest in developing the professional, technical and leadership skills of our employees. We are establishing a common global framework for how we approach innovation in a customer-centric way, and are incorporating the innovation skills our employees need into our leadership development programs and professional development offerings.

These include a number of programs specifically designed for current and aspiring executives, directors and managers:

- The Global Leadership Summit: Aimed at executives and general managers responsible for global projects, departments and budgets, these programs are a combination of immersion in markets and the application of new skills.
- Global Executive Leadership: Geared toward directors and senior managers associated with a region, but with responsibilities that extend to the global enterprise.
- Experienced Leader Program: Aimed at middle management, the program helps grow the capabilities of our skill team leaders running regional large projects and functional departments.
- Salaried Supervisor Institute: A program for new and experienced front-line leaders, which builds foundational leadership skills and hands-on applications.
- > Read a case study from i4cp about how Ford is going "beyond best practice"

Our approach combines virtual web-based learning with classroom training, and spans simulations, project work, mentoring and coaching, social networking, workshops and team lunch-and-learn events. Together, these methods and tools support professional development, foster functional and technical excellence, encourage teamwork and leadership skills, promote One Ford values and drive improved performance.

Leading by Teaching

A key approach for us is Leading by Teaching, where we support our skilled and motivated people to develop themselves and each other. By teaching others, colleagues build self-awareness, gain opportunities for professional development and are exposed to a wide range of opinions; those being taught get exposure to leaders and subject matter experts, and acquire company-specific skills and knowledge in ways that foster engagement and enthusiasm for learning.

> Read about Ford's new Resource and Engagement Center in South Africa

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Supporting Career Development

Personal Development Plans

With operations on six continents, our workforce needs to be locally aware, globally mobile, adaptable and innovative; we also need strong leaders able to operate anywhere in the world. Our accelerated personal development plans and cultural awareness programs help our people succeed in a range of geographical and social contexts.

Ford offers competency frameworks and development plans for salaried employees, to help them determine where they are in their careers, maximize current performance and work toward future goals. Our learning solutions are made available in multiple languages at the MyLearning@Ford portal.

We also run a global Development Discussions for Supervisors course, to ensure that development plan discussions between managers and employees are effective, and that supervisors can guide and support the development of their team members.

In 2016, 52,273 salaried employees (84 percent of those who use our Talent Management System) completed Individual Development Plans online.

Building Emotional Intelligence

In an age when the importance of artificial intelligence (AI) and robots is increasing, people are expected to focus on skills and capabilities that AI has trouble replicating: understanding, motivating and interacting with humans.

In 2016, Ford joined Case Western Reserve University to participate in a unique study, which found that listening to, understanding and inspiring colleagues can account for as much as 31 percent of engineers' effectiveness. Ford engineers – and their colleagues – were asked whether they love their workplace, and how they cooperate and discuss ideas. The study also found it was possible to predict how enthusiastic engineers would be about projects, just by knowing how those projects were communicated.

We also opened the Merkenich Innovation Hub in Germany, giving the 25,000 engineers who work across our global network of 10 engineering and research centers on-demand access to dedicated workshops, training and ideation sessions, research findings, and patent consultation. We plan to launch similar hubs around the world.

Better Connections Through Mindfulness

Ford of Canada has offered mindfulness training to employees at its headquarters for several years, continuing in 2017. Based on neuroscience research, mindfulness builds the core emotional intelligence skills needed for peak performance and effective leadership, fostering an organizational culture where employees are more present and connected with themselves and each other.

Ford in the Community

Ford Motor Company is more than just an employer; we're also a neighbor, and our business is only as strong as the local communities in which our employees and customers live and work. It is therefore in our mutual interest to work with them, and invest in them, to improve quality of life for all.

Investment and Engagement

Our support for the communities in which we operate goes beyond just donating money to good causes. It's also about building long-lasting partnerships to address the challenges our neighbors face,

helping provide food and shelter, improving educational opportunities, and contributing to emergency relief and disaster response.

Ford's community involvement comes through direct investment and positive engagement, and by applying our expertise and technology to help address societal challenges. Our increasingly integrated approach aligns our community relations programs, our community impact assessments, and our key sustainability and business priorities. This ranges from respecting human rights, a fundamental aspect of our license to operate and vital for maintaining the trust of local communities, through to addressing $\underline{\Delta}$ beyond our own operations.

Assessing Our Impact

As our business grows, so does our community investment and volunteering efforts.

In 2016, our charitable contributions¹ totaled \$58.9 million.

Current and retired employees donated 204,000 volunteering hours in support of good causes through the <u>Ford Volunteer Corps</u>.

Our <u>dealer network</u> also makes significant community investments.

We continue working to improve our ability to measure the impact of our efforts, beyond charitable contributions and volunteering hours, in a more holistic manner.

> See our charitable contributions data in more detail

Ford Credit's Community Investments

Ford Motor Credit Company ("Ford Credit"), a wholly owned subsidiary of Ford Motor Company, offers automotive financial services to dealerships and customers around the world. Ford Credit's long-standing commitment to its local communities ranges from employee volunteering opportunities to structured work experience programs for young people.

 Contributions from Ford Fund, and Ford Motor Company contributions administered through Ford Fund.

Community Projects

Our volunteering efforts and philanthropic investments are overseen and coordinated by Ford Motor Company Fund and Community Services (Ford Fund). Ford Fund supports initiatives and nonprofit organizations in three key areas: community life, education and driver safety.

THE ROLE OF FORD FUND Coordinating Our Community Efforts

Helping strengthen the communities in which we operate and understanding their needs have been priorities for us since Henry Ford started the company more than 100 years ago.

Funded by contributions from Ford, we seek to build partnerships and support programs that meet local community needs, align with our business plan, have a measurable impact and, where possible, are replicable in other markets. We prioritize the support and development of organizations that promote diversity and inclusion.

Ford Fund evaluates grants on an annual basis, and grassroots engagement is driven by local teams in each region. To date, Ford Fund has invested more than \$1.5 billion in civic organizations to strengthen communities around the world.

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Ford Fund - 2016 Contributions¹

	\$ million
Community Life	32.8
Education	18.4
Driver Safety	7.7
Total	58.9

Data notes and analysis:

 Contributions from Ford Fund, and Ford Motor Company contributions administered through Ford Fund.

Community Life

Building Sustainable Communities

We are committed to creating a better world by making people's lives better in communities around the globe. Our efforts focus on hunger relief, poverty alleviation, and supporting the elderly, disabled, military veterans and other under-represented populations. They also include environmental initiatives, with a particular focus on access to water, hygiene and sanitation.

Our support for more than 700 community groups during 2016 included:

- Detroit's tiny homes project, an innovative neighborhood revitalization scheme that provides affordable housing for lowincome residents and formerly homeless people
- Ford Mobile Food Pantries, a fleet of 60 Ford Transit Connect vans helping food banks deliver more meals
- Transporting more than 673,000 U.S. military veterans to medical appointments in the 207 vehicles we have donated to DAV Transportation Network over the past 20 years
- Support for refugee integration in Germany (see below).

CASE STUDY

Refugee Integration Program, Germany

The refugee integration program is a cornerstone of Ford's community engagement in Germany. There is an active network of over 300 employees supporting refugees in more than 20 community projects. Approximately 2,500 Ford working hours and private time have been invested. Grants to support local community needs and assist refugees in 2016 include \$70,000 from Ford Fund.

Partnering with the city of Cologne and nongovernmental organizations, Ford is supporting a range of community projects, including meeting the needs of unattended minors and refugee teenagers with accommodation, mentoring, coaching and activities. Another key focus is supporting refugees of working age with training and work opportunities.

Training and Work Opportunities for Refugees

Our 11-month, full-time "entrance qualification" (EQ) program aims to help refugees enter employment and equip them with the skills, work environment knowledge and language competency to do so.

Ford has offered the EQ program for more than 40 years, which leads to the possibility of an apprenticeship in our plants or with other companies. First developed to provide opportunities to new immigrants to Germany, in 2016, we expanded the program to all refugees who come to the country.

The program now enables a further 24 candidates (up to the age of 35, and with the necessary language proficiency and school education) to take part. Within the program, we offer German classes to help participants develop their linguistic confidence and ability.

Eighty percent of candidates who complete the program go on to start an apprenticeship with Ford as the first step in a future career.

Disaster Relief

Ford has a long history of assisting communities devastated by natural disasters around the world. Our support includes grants to nationally recognized aid organizations as well as employee–matching programs and employee volunteerism.

Ford Fund donated \$1 million in disaster relief aid last year, including:

- Supporting emergency efforts in the Caribbean following Hurricane Matthew
- · Providing earthquake recovery assistance in Italy
- · Tornado and flood relief in the American South and Midwest
- Aid to areas impacted by wildfires in Alberta, Canada, and Tennessee in the United States

As well as grants that help people recover from natural disasters, Ford Fund continues to innovate and expand the reach of our helping hands. In 2016, we introduced the Ford Motor Company Disaster Relief Mobility Challenge, a new U.S.-based initiative that challenges nonprofits to find creative ways to help people in their communities. The Challenge provides grants toward the purchase of a customoutfitted Ford Transit or truck to serve in missions that rebuild damaged communities.

Ford Fund awarded grants to three U.S.-based nonprofits actively engaged in disaster relief work:

- Toolbank will stock a Transit with free-to-use tools for devastated communities
- Team Rubicon will transport veterans as disaster response volunteers
- Catholic Charities USA will use a Ford F-450 box truck to tow washers and dryers to communities in need
- > Read more about the Ford Volunteer Corps

Over the last 10 years, Ford and Ford Fund have made **community investments totaling \$161 million** in Detroit and southeast Michigan.

Centralizing Community and Cultural Services

The idea behind Ford's Resource and Engagement Centers is to provide an innovative model for neighborhood involvement, using a flexible approach that centralizes community services, and drawing on expertise and support from nonprofit partners and Ford volunteers. Since opening our first center in southwest Detroit in 2013, more than 80,000 local residents have been assisted through social and cultural services, ranging from providing 1.5 million pounds of food to helping more than 6,000 people complete their tax returns. The center returns \$3 to the community for every \$1 invested. Given this success, Ford Fund – in cooperation with Detroit Public Schools Foundation and Detroit Public Schools – is opening a second center in the city. This will bring \$5 million in services to thousands of students and residents on the city's east side

In May 2016, we announced the creation of a new Resource and Engagement Center in South Africa, located on the grounds of our Silverton plant outside Pretoria (see below).

CASE STUDY

Ford Resource and Engagement Center, South Africa

Ford's new Resource and Engagement Center in South Africa is part of a five-year, \$4 million investment across the African continent to support the company's growth and its commitment to making people's lives better. The center will provide training and help approximately 200 people in South Africa to find a job or start their own small business – through skills development, training programs, grants and educational scholarships. In collaboration with nonprofit Future Families, the center will also offer services for families and orphans affected by HIV and AIDS.

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This marks the first international expansion of the highly successful project Ford Fund launched in Detroit, to bring nonprofit community services together in a collaborative environment. Ford will invest more than R2 million annually in job training through the new center in South Africa.

"Ford Fund has a proud tradition of strengthening the communities that are home to our employees, dealers, suppliers and customers. As our company expands throughout the African continent, we are bringing our innovative community investment programs to new regions to create a better world."

lim Vells

President, Ford Motor Company Fund and Community Services

> Read about other social investment projects in our Middle East & Africa region

Education

Education is the engine that drives individual and community prosperity, and we invest in innovative, sustainable education programs that connect students with classroom learning and real-world applications. Ford Fund supports programs that empower young people to take control of their future, help make people's lives better in their communities and drive social mobility upward for all.

In 2016, Ford Fund invested more than **\$18 million** in education initiatives, assisting **323,000 people** in **22 countries**.

Ford Fund supports a number of signature education initiatives:

Ford Next Generation Learning (NGL)

Our nationally recognized program transforms high schools with career-themed academies focused on engineering, manufacturing, design and health care. Active in 36 U.S. communities, Ford NGL has connected more than 200,000 students with professionals working in their chosen field, giving them an opportunity to gain real-world experience and learn by doing.

Ford College Community Challenge (C3)

In this global initiative, teams of college students in nine countries propose innovative projects, based on the theme of building a sustainable community, that address a pressing local need. Winning teams receive funding from Ford Fund to implement their projects. The "challenge" concept has resulted in additional branches, including **Historically Black Colleges and Universities Community Challenge** and **Ford STEM Community Challenge**.

Ford Driving Dreams Tour

Ford Driving Dreams empowers students to achieve academic success through scholarships, book donations, leadership programs, college preparedness tools, motivational pep rallies, essay contests and careerbuilding activities. To date, its initiatives have delivered more than \$3 million in educational resources and over \$1.3 million in grants since the program's launch in 2010. Having reached more than 100,000 students in California, Florida, Illinois, Indiana and Texas, the program has now expanded to support students in Panama and Puerto Rico.

Ford Blue Oval Scholarships

In an effort to drive social mobility, Ford has awarded millions of dollars in scholarships, providing high-achieving students with much-needed financial support for their college studies.

> Read more about how we invest in technology and innovation

Powered by Ford STEAM Academies

Focused on science, technology, engineering, arts and math (STEAM), the academies help prepare students for the high-tech jobs of the future.

Ford STEAM Lab

Our online curriculum empowers schools to foster creativity and innovation by incorporating "design thinking." These culminate in "hackathons," where students develop apps that address local issues and needs.

> Read more about our STEAM activities

Driver Safety

The industry-leading centerpiece of our commitment, Ford Driving Skills for Life, is a free, interactive program focused on addressing inexperience, distractions and impaired driving. The award-winning initiative uses state-of-the-art equipment to teach new drivers essential skills in four key areas: vehicle handling, speed management and space management, hazard recognition and distracted driving.

> Read more about safer driving

GLOBAL OUTREACH

Operation Better World

Ford Fund's Operation Better World is a coordinated, grassroots initiative designed to develop transformational programs focused on mobility, education and sustainable communities. Ford Fund awarded 190 grants worth \$9.25 million in 2016.

In collaboration with the nonprofit Global Giving Foundation, innovative programs in 49 markets utilize the expertise of local Ford teams and community leaders to make a world of difference:



China

The Level Up! initiative builds the organizational capacity of grassroots environmental groups in China through project mentoring, workshops for environmental leaders and entrepreneurs, capacity-building training and development, and support networks.



Germany

Ford Fund supports education workshops at the Children's University in Cologne, where more than 4,000 young people participated in primarily STEM-related learning.



India

Our Happy Schools program helps bridge gaps in education by improving infrastructure in classrooms, playgrounds and sanitation facilities, and incorporating "learning by doing" in school curricula. Through entrepreneurial workshops in tailoring, provided in partnership with nonprofit Hand in Hand, women are empowered to start their own micro-enterprises.



Morocco

The Henry Ford Entrepreneurship Academy runs workshops for future business leaders, providing the skills and tools they need to launch and grow new ventures. The program has been extended to Effat University, a university for women in Saudi Arabia.



South Africa

We're expanding our Blue Village initiative, named by local residents after the shipping containers now being converted into new homes.



Venezuela

Leading Your Future is an award-winning community-based automotive training program for disadvantaged youth (see below).



West Africa



Ford has worked with Riders for Health, an international nonprofit organization, whose vehicles bring medical professionals and supplies to remote areas in The Gambia and Nigeria.

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Training Disadvantaged Youth in Venezuela

Each year, the Leading Your Future program provides four months of comprehensive automotive technical training to 60 unemployed, educationally disadvantaged young Venezuelans aged between 19 and 25. The program is endorsed by the prestigious University of Carobabo and is supported by an active volunteer group of 70 Ford employees. Sixteen of the Ford employees have been certified by the university as trainers, and the lessons provided by the Ford team have become part of the curriculum endorsed by the university.

Over the two years since the program began, 56 at-risk youth participants received an Automotive Training Diploma endorsed by the university and 32 new participants are currently enrolled in the program.

The Ford Venezuela team has received the company's Diversity and Inclusion Award in recognition of employees' vital role in the Leading Your Future program.

Employee Volunteering

Volunteerism is an integral part of our business. We encourage our employees to participate in programs that strengthen the communities in which we operate.

The Role of the Ford Volunteer Corps

eading the way in our mission to create a better world, the Ford Volunteer Corps was launched by Bill Ford in 2005 in the aftermath of the devastating Indian Ocean tsunami and deadly hurricanes in the United States. It has since grown into a highly coordinated network of current and retired Ford employees across six continents, helping feed the hungry, deliver clean water, build homes, renovate schools and mentor young people.

To maximize the two paid workdays we offer salaried employees each year to volunteer in the community, our "matchmaking" software system enables nonprofit partners to inform us when and where they need help, while employees can sign up online for opportunities based on their interests, skills and availability. We are continuing to enhance the user experience and strengthen our data collection, especially outside the United States.

Since it was launched in 2005, Ford Volunteer Corps members have contributed nearly 1.5 million hours of community service in 48 countries, representing more than \$34 million of in-kind community investments.

> Find out more about our community projects

204,000 hours of volunteering \$1 million in grants for tools and supplies Community Involvement in 2016 40 countries reached 1,544 community projects

Our Volunteering Programs

Ford Global Caring Month

To mark its 10th anniversary in 2015, we extended our flagship Ford Global Week of Caring to become our very first Ford Global Caring Month. This was repeated in September 2016, with more than 24,000 current and retired employee volunteers participating in 1,544 projects around the world. These included:



Angola

Paint, repair and renovate a secondary school.



Australia

Improve the grounds surrounding a family retreat run by the Salvation Army.



Brazil

Renovate a nursery, daycare and library for children.



Colombia

Overhaul a food bank's delivery area and sort donations.



Germany

Develop urban gardens and help with construction work at a high school.



India

Make renovations at a home for senior citizens.



Mexico

Build water storage facilities, feed the hungry and make improvements at an orphanage.



South Africa

Renovate bathrooms, repair ceilings and doors, and paint homes for children.



United Kingdom

Modernize and make improvements at a mental health facility.

Ford Accelerated Action Days

Ford employees from across the United States filled nearly 11,000 volunteer opportunities in more than 1,100 community projects during 2016. Some of those volunteer activities took place on what we call Ford Accelerated Action Days (AADs). There are four AADs each year that concentrate on critical work identified by our nonprofit partners. These one-day volunteering sessions often involve larger groups of Ford volunteers and are focused on children and families, the environment, community building and feeding the hungry. Four more AADs are planned for 2017.

Bill Ford Better World Challenge

Established in September 2015, the Bill Ford Better World Challenge is a global grant program, jointly funded by the company and Executive Chairman Bill Ford. The initiative enables employee volunteers to apply for grants, totaling up to \$500,000 a year, for transformational community service projects that address issues in the areas of mobility; basic needs such as food and shelter; or access to water, sanitation and hygiene.

Since the challenge was issued, employees have answered the call, submitting ideas designed to make a difference in the world. In 2016, funding was awarded to two projects – a community water project in Thailand (see below) and GoodTurn, a mobile app for non nonprofits that reflects Ford's wider approach to mobility, beyond the car.

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Clean Water Community Project, Thailand

Thanks to hundreds of Ford volunteers and a \$200,000 grant from the Bill Ford Better World Challenge, a project in Thailand will support 13 schools in Chanthaburi province, bringing a better life to 3,300 people.

Within a year, Ford volunteers have joined local communities to improve access to clean water through purification systems, wash basins and restrooms at nine rural schools.

Volunteers also planted hundreds of banana trees, and built an oyster mushroom farmhouse, chicken coop and other facilities at one school to grow vegetables. As well as being served at school lunches, the crops are sold to fund further agricultural initiatives at the school.

> Watch a video on the project.

Thirty Under 30

Thirty Under 30, also launched in 2015, saw 30 employees under the age of 30 trained on civic engagement and leadership skills, with a focus on philanthropy and volunteerism. The nine-month program, trialed as a U.S. pilot, paired three cross-functional teams with local nonprofits: the Salvation Army, Detroit Rescue Mission Ministries and the United Way for Southeastern Michigan.

As well as using fresh thinking to address the challenges faced by the organizations, the millennial employees were taught how to apply solutions-based "design thinking" to life, business and cultural situations. The millennials also offered insights designed to help the nonprofits connect with and appeal to the next generation of young philanthropists.

2016 saw the inaugural class "graduate," and complete their training by presenting their solutions to Executive Chairman Bill Ford and other company leaders. Now, they're ready to work as philanthropists, to get involved and to build stronger communities.

More than 200 employees applied to join the inaugural program, but the number of applicants to the new class of Thirty Under 30, which kicked off in February 2017, increased significantly to 362. The number of participating nonprofits has also risen to six, and the focus this year is on solutions that address food insecurity.

- > Watch the final Thirty Under 30 showcase
- > See what the opportunity meant to the class of 2016
- > See the detailed data behind our volunteering efforts

Dealers

Our dealers are a vital part of our success. They represent the public face of Ford and provide employment, tax support, leadership and customer service in our communities.

Our Dealer Network

To improve facilities and create loyal advocates of our products and services, we collaborate with our U.S. Ford dealers through the Ford Trustmark Facility Assistance Program. We also work closely with our Lincoln dealers to improve the retail experience for the luxury car customer.

We continue to help dealers connect with their communities, through educational resources and training, and by providing capital loans to minority dealers. We also work with our Ford Minority Dealers Association (Ford MDA) and the National Association of Minority Automobile Dealers to sustain and strengthen their viability, and to gain new partners.

At the end of 2016, we had 11,737 Ford and Lincoln dealerships.

Dialogue with Dealerships

Our Ford and Lincoln Dealer Councils play a vital role in facilitating open dialogue. Through these forums, dealers can share their concerns and opinions openly and productively. Details are published annually, along with Ford management input, for added transparency.

Dealer Council members also participate in Ford's National Dealer Advisory Panels, addressing a range of issues, including customer experience and satisfaction, new product development plans, dealer training, marketing and advertising.

Beyond everyday interactions, dealer satisfaction is measured through the <u>National Automobile Dealers Association (NADA)</u> biannual survey.

> Access performance data about dealer attitude

A Tradition of Giving

According to our annual survey on Dealer Giving, U.S. Ford and Lincoln dealers gave around \$114 million and over 800,000 hours of volunteering to local causes and nonprofits in 2016. Nearly 80 percent said their teams give both time and money to local causes.

In 2016, the main areas they supported were:

- Children's charities (69 percent)
- Education and scholarships (62 percent)
- Veterans' causes (56 percent)
- · Police, fire and other first responders (46 percent)

Our Salute to Dealers

We recognize the hard work and dedication of the thousands of Ford and Lincoln dealers through our annual Salute to Dealers program. The scheme demonstrates our commitment to those who go above and beyond to give back to the communities in which they live and work.

We're very proud of the contributions made by those nominated and selected as honorees since the program was launched in 2001. In 2016, our 17th annual awards recognized the generosity and community spirit of the following dealer principals, each of whom receive a \$10,000 donation to the charity of their choice. The six winners were selected from a global field of nearly 80 nominees.

> Watch a video about our Salute to Dealers

Ken Crowley, Crowley Ford Lincoln, Plainville, Conn., United States

Ken Crowley's annual JDRF Golf Tournament has raised more than \$1 million in the fight against Type 1 diabetes, and he is actively involved in Operation Embracing Lonely Families (ELF), hosting an annual Christmas party and supporting the families of deployed troops with food, toys and money. Crowley Ford Lincoln was also one of the first U.S. dealerships to participate in the U.S. Army Reserve's Employer Partnership Initiative, which trains and hires veterans in civilian careers after their discharge from active duty. Dealership personnel serve as event ambassadors in the Drive 4 UR School and the Lincoln Driven to Give programs, guiding other dealerships on how to help schools and charities host fundraising events.

^{1.} Contributions from Ford Fund, and Ford Motor Company contributions administered through Ford Fund.

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Natalie Tindol, Tindol Ford, Gastonia, N.C., United States

Natalie uses her dealership to strengthen lives in the community, raising money for the local Boy Scouts, the Gastonia Police Foundation and schools across the county through the Education Foundation. She is passionate about her role with the local Girl Scouts, working as a troop leader for 13 years to develop leadership qualities and self-confidence. As a former president of the Community Foundation of Gaston County, Tindol has also helped coordinate an annual event where more than 100 nonprofits raise money for their charitable organizations, generating more than \$12 million over the past 12 years.

Alan Jay Wildstein, Alan Jay Ford Lincoln, Inc., Sebring, Fla., United States

In addition to donating to hundreds of charities, events, organizations and individuals, Alan Jay Wildstein encourages philanthropy among his 400 team members, who actively give their time, money and efforts throughout the community. The Alan Jay Wheels for A's program gives one graduating senior at each of five local high schools a late-model vehicle as they start the next chapter of their lives. Seniors earn entries into the draw with each "A" they receive during their senior academic year, and nearly 70 vehicles have been given away to date. In addition, Wildstein has sponsored 16 Habitat for Humanity homes and, for each holiday season for more than 20 years, Wildstein "adopts" a local elementary school. Wildstein and his team dress as Santa and elves, distributing toys to the children.

Vaughn A. Wyant, Jubilee Ford Sales Ltd., Saskatoon, Saskatchewan, Canada

Vaughn Wyant led a team of fellow dealers and local businesses to create and auction a custom-designed Ford F-100 truck, raising \$450,000 for the Children's Hospital Foundation of Saskatchewan. For more than 25 years, Wyant's company has been the lead sponsor of the Black Tie Bingo for Saskatoon City Hospital Foundation, raising over \$2 million for critical services and equipment. Wyant also donated \$1 million toward the construction of a new, world-class art gallery, and made a \$500,000 donation to the University of Saskatchewan toward the construction of a new sports and recreation facility for community use.

Paul Brown, John Andrew Ford, Auckland, New Zealand

Paul Brown is a dedicated advocate and supporter of Camp Quality, a charitable initiative that focuses on improving the quality of life for children living with cancer through summer camps and year-round activities. Proceeds from his dealership's many fundraising efforts to date exceed \$950,000. Furthermore, Brown is a generous supporter of the BDO Wellington to Auckland Cycle Challenge, a seven-day, cross-country event that raises money for charitable causes. Each year, his dealership donates vehicles to the winners of the corporate challenge race, which in turn assign the vehicles for use by selected charities, including the Cancer Society and Ronald McDonald House. Brown has also completed two terms on local school boards, spearheading fundraising efforts and donating his personal time to important educational projects.

Turgay Mersin, Sadıkoğlu, Uşak, Turkey

Turgay Mersin has donated funds to help build several schools, and initiated a business club with a local university that pairs students with industry and business. Mersin supports the Association of Disabled Persons and a local nonprofit organization that raises cancer awareness through the Today One Hour and Tomorrow One Life campaign. He has built a new mosque for the community, and raises awareness and social sensitivity regarding violence against women. His environmental contributions include the creation of a "Memorial Wood," planting more than 3,000 trees, and the creation of a new well to provide much-needed water in Tanzania.