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REGIONAL REVIEW: MIDDLE EAST & AFRICA

Being an active and responsible member of the communities in which we operate is a core value at Ford.

We demonstrate it by helping to alleviate shared social, economic and environmental problems and playing our part in creating a better world.

For example, the effects of global problems like climate change show themselves in different ways and to varying degrees in different locations. At the same time, technology is accelerating the pace of change in many areas of human activity, driving fundamental shifts in consumer trends in our markets. Our corporate strategies provide a framework for regional programs that reflect this fast-moving picture at the same time as addressing local circumstances and needs.

This section aims to give a flavor of material sustainability issues having an impact on our regional business units, and describes some key initiatives and programs supporting our corporate strategies.

Middle East & Africa

This section offers a regional perspective and an overview of initiatives to implement the corporate sustainability strategy in each regional business unit.

"Ford continues to go further in the region – through growing the business, building a family of vehicles offering quality, fuel efficiency, safety, smart design and value, and innovating to solve mobility challenges facing cities and communities. We pride ourselves on being an integral part of our communities. These strong links are indispensable to the business equation and to our way of doing business in markets where we serve our customers. Through education, safety and social impact programs like the Henry Ford Entrepreneurship Academy, Warriors in Pink, Driving Skills for Life and the Conservation and Environmental Grants scheme, our intention is to bring sustainable solutions over the long term that improve lives, help create a better world and demonstrate true corporate citizenship."

Jacques Brent

President, Ford Middle East & Africa

At a Glance

- 4 primary sub-regions: Middle East, North Africa, Sub-Saharan Africa and Southern Africa
- · 3,000 employees
- 2 manufacturing plants in South Africa
- > Please see Ford's Annual Report 2016 for further information on our regional business units, including key financial metrics for Middle East & Africa

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Strategy and Governance

Addressing Mobility and Community Challenges in Africa

Ford Project Better World

Since 2015 through our Ford Project Better World, we have been building partnerships to address a range of mobility and community challenges. Our partners include Riders for Health, an international nonprofit medical transportation organization, and World Vision, an international children's charity.

In South Africa, we are working with World Vision to improve access to quality health care in the Eastern Cape. There is a desperate need for basic health care and education in the Eastern Cape, particularly in the impoverished and remote rural areas. We donated two Ford Ranger pickup trucks, which have been specially modified as mobile clinics, to support health education, access to medication and child nutrition.

In Nigeria, Riders for Health placed two flexible response vehicles (FRVs), also Ford Rangers, in communities around Abuja in late 2016.

Innovate Mobility Challenge Series - Morocco

Taxi sharing has a long history in Morocco and in many countries in the Middle East and North Africa. In Rabat and Casablanca, taxicabs frequently stop to pick up additional passengers and often won't start their journeys again until the cab is full of passengers – even if there are passengers waiting in the back seat.

Ford launched the Code4TaxiCabs Mobility App Challenge in 2016, tasking app developers around the world to help improve Morocco's taxi-sharing culture by creating solutions that focus on making shared rides faster, safer and more cost- and time-efficient for taxi drivers and their passengers. The app challenge also had a special category looking at a feature that could address safety for female passengers by offering a way to ride with other women.

The survey that was conducted after the program saw 92 percent of respondents acknowledging the benefit of the program to address market-specific mobility concerns.

The Code4TaxiCabs Mobility App Challenge is part of Ford's Innovate Mobility Challenge Series. This series began in 2014, with 10 cities around the world, and continued through 2015 to 2017.

Ethics, Trust and Transparency

In South Africa, Ford earned an Exporter of the Year merit award for the Best Exporter OEM, an Environmental merit award for the fourth consecutive year, and was named the winner of the Industrial Development Corporation Job Creation merit award.

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Customers and Products

Encouraging Safer Driving

As well as advancing road safety through vehicle technologies – including driver assist and semi-autonomous features such as speed limiters, lane-keeping and blind spot systems – we encourage safer driving through our global Driving Skills for Life (DSFL) program.

Since establishing DSFL in the United States in 2003, we have progressively rolled out the program around the world. During 2016, DSFL was launched in several countries across the Middle East and Africa, including Zimbabwe, Nigeria, Angola, Kenya and Uganda. In the Middle East, the program was first launched in the United Arab Emirates and Saudi Arabia in 2013.

DSFL features some of the newest and most innovative tools and techniques to teach drivers to become safer and more aware, thus enabling them to make sound decisions behind the wheel.

The curriculum includes the special Drunk Driving Suit and Drunk Goggles. Participants have the opportunity to wear these to gain perspective on how being over the legal alcohol limit can slow movement, reduce coordination, blur vision and make tasks difficult. The program includes eco-friendly driving tips in order to reduce fuel consumption and minimize impact on the environment. In 2017, Ford also introduced training for night-time driving in Saudi Arabia.

Operations

As well as being at the heart of producing great vehicles for our customers, our world-class manufacturing plants are core to Ford's sustainability goals in eliminating waste, increasing energy efficiency and managing water sustainably. This is why we continue to embed the Ford Production System across our operations as it provides the platform for productivity, safety, quality and sustainability.

We also have a range of specific projects underway or planned for our facilities to drive further savings in energy, water and waste and environmental stewardship. These include increasing the efficiency of lighting and temperature control, water conservation, paper recycling processes and the maintaining of a wildlife nature reserve within the grounds of our Silverton plant in South Africa.

People and Communities

Best Employer Brand on LinkedIn

Following on from last year's success when Ford was named one of LinkedIn's Top 50 Most In-Demand Employers in Middle East and North Africa, we scooped the top award in the Growing Companies category, taking home the prize for Best Employer Brand on LinkedIn.

The award took into consideration employer brand presence on the LinkedIn Career page, against over 800 other companies, as well as engagement with the content posted on the page. Less than 24 months ago, Ford Middle East & Africa had zero presence on LinkedIn, so this award recognizes the efforts made to grow our employment brand and engage with potential recruits as part of our commitment to building a skilled, motivated and culturally diverse workforce.

Employee Development – Leading by Teaching Program, Dubai

A brand-new learning and development program in Dubai – Leading by Teaching – is one of many new human resources initiatives planned for our workforce in the region.

Leading by Teaching is designed to further employees' professional development through a blended learning model and by tapping into the vast knowledge and experience that exists throughout the organization. The first session was attended by more than 100 employees and was hosted by Anton Van der Walt, Ford Middle East & Africa Human Resources Director, who shared his career journey at Ford and conveyed the human aspects of leadership and self-development.

Conservation and Environmental Grants Program

Ford's Conservation and Environmental Grants program has become one of the largest corporate initiatives in the Middle East and North Africa region, created to encourage, support and reward the actions of individuals, groups and nonprofits in shaping a more sustainable world.

Since the program began 16 years ago, grants totaling \$1.61 million have supported over 200 projects, including top prizes awarded in 2016 for initiatives in Environmental Education, the Natural Environment and Conservation Engineering:

• Green Mangroves project - Qatar

Free weekly kayak trips take individuals and schoolchildren up close to the precious mangroves of Purple Island, to build awareness and understanding of the trees' vital role in the ecosystem. The ultimate goal is to preserve fragile mangrove habitat in the Al Khor region.

- Working to increase the bee population Morocco
 This project is focused on developing and managing traditional beehives using innovative organic methods, which have the potential to put a stop to declining bee numbers and increase the population.
- Deepening scientific knowledge Lebanon
 Consensus-building workshops and training are part of a program to
 develop a Green Maps database that will assist scientists to assess and
 monitor environmentally significant sites across the country.

Warriors in Pink

Ford's Warriors in Pink program has become an active support system for people affected by breast cancer in the Middle East and North Africa since 2012. The 2016 edition of the campaign was an adrenalin-fueled event held in Sports City, Dubai. Five breast cancer survivors from the UAE – the campaign's "Models of Courage" for 2016 – showed off the new Warriors in Pink clothing and accessories collection, and shared their powerful message of hope.

Ford Middle East has partnered with the Zulekha hospital since 2015, offering free mammograms and consultations during the month of October to encourage both men and women to get screened.

The Henry Ford Entrepreneurship Academy

The Henry Ford Entrepreneurship Academy (HFEA) is a long-term, regionwide commitment to promote entrepreneurship through workshops and exchanges in collaboration with stakeholders throughout the Middle East and Africa. Eventually, the Academy will become a center for networking and connecting alumni and the local business community.

In cooperation with the Ford Motor Company Fund and the Virginia Commonwealth University (VCU), the Henry Ford Entrepreneurship Academy will assist future business leaders to think and act like entrepreneurs. The first Henry Ford Entrepreneurship Academy program was launched in Morocco in December 2015. Since then, more than 130 entrepreneurs in Morocco have received training.

In 2017, Ford hosted the first women-only workshop in Saudi Arabia, training 50 aspiring businesswomen in partnership with leading women's institution Effat University in Jeddah.

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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.

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."

Jim Vella

President, Ford Motor Company Fund and Community Services