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## Society

#### During 2008 we:

- Made progress on a major safety indicator
- Continued to invest in communities

Sustainability Report 2008/9

Consistently ranked among top companies for diversity

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Our operations affect a broad range of stakeholders. We believe that maintaining strong and open relationships with our employees, customers, suppliers, dealers and society at large plays an important role in our ability to meet our goals.

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Positive relationships with employees and business partners help us improve efficiencies, cost and quality, and develop and deliver new innovations. Effective two-way communication with our customers, dealers and other stakeholders helps us understand and deliver the products that customers want. Strong relationships with our suppliers enable us to work together to implement the environmental and human rights initiatives that are critical to a sustainable business.

#### Assessing Materiality

Our materiality analysis identified that our relationships with stakeholders are an important issue for both the Company and our stakeholders. Specifically, the analysis identified the issues of employee relationships, supplier relationships, dealer relationships, and diversity and inclusion as highly or moderately important. In addition, workplace health and safety was identified as an issue of high potential impact on Ford and of moderate concern to stakeholders.

The materiality analysis showed customers to be most concerned with issues related to the competitiveness of our products, including fuel economy, quality, safety and tailpipe emissions. They were also concerned about clean vehicle and fuel technologies.

We found the issues of community engagement, impacts and contributions to be of high concern to stakeholders - particularly, of course, to members of the communities most directly affected by the Company – and of moderate potential impact on Ford.

In This Report: Materiality Analysis

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### Who Are Our Stakeholders?

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We have sustained, interdependent relationships with several distinct categories of stakeholders: employees, customers, dealers, suppliers, investors and communities. Also important is our relationship to "society," which includes government agencies, nongovernmental organizations (NGOs) and academia. We identified these categories of stakeholders through internal analysis and discussion during the early phases of developing our sustainability programs.

#### **Employees**

At year-end 2008, we employed approximately 213,000 individuals at about 88 plants worldwide. Substantially all of the hourly employees in our Automotive operations in the United States are represented by unions and covered by collective bargaining agreements. Most hourly employees and many nonmanagement salaried employees of our subsidiaries outside the United States are also represented by unions. These unions are key partners with Ford in providing a safe, productive and respectful workplace.

Ford faces workplace health and safety challenges similar to those of many multinational manufacturing companies, including establishing and reinforcing high, common expectations for the safety of our employees worldwide. Most of our manufacturing facilities have joint union/management safety committees that guide the development and implementation of safety programs in their operations.

#### Customers

Ford's customers make us who we are. Ford Motor Company serves more than 5.4 million customers worldwide. Our major regional markets include North America, South America, Western Europe, Eastern Europe, Russia, Asia and Australia.

In these regions, we serve three primary types of customers: individual retail consumers, small business customers and large commercial fleet customers. We will continue to expand our products and services for these existing customers while working simultaneously to gain new customers in emerging markets. In North America, we are focusing on increasing our offerings of smaller and more fuel-efficient

In all of our markets, our customers' mobility needs and desires are changing faster than ever.

#### Dealers

Our dealers are the face of Ford to our customers and communities. They are key employers and contributors to local economies. Ford and Lincoln-Mercury dealers in the United States alone employed 170,134 people at the end of 2008, with an annual payroll of approximately \$6.6 billion.

#### Suppliers

Suppliers are an integral part of our business, and our success is interdependent with theirs. We rely on more than 2,000 production suppliers to provide many of the parts that are assembled into Ford vehicles. Another 9,000 suppliers provide a wide range of nonproduction goods and services, from industrial materials to computers to advertising.

Our supply base is increasingly global. We are expanding production in several regions to serve the sales growth expected to occur in emerging markets. We are also expanding our sourcing in these lower-cost emerging markets, as a way to serve both local markets and the global supply chain. These changes, and our efforts to ensure good working conditions in our supply chain, are discussed in detail in the Human Rights section of this report.

#### Communities

Our Company impacts the communities in which we operate in numerous ways, from the employment we provide and the taxes we pay, to the environmental and safety performance of our operations, to the ways in which we support and participate in civic life. Responsibly managing these impacts is not just about being a good neighbor; it is fundamental to the success of our business.

The communities in which we operate are composed of a diverse range of individuals and groups. They

include our customers, our employees, our business partners and their employees, government regulators, members of civil society and community organizations, and those individuals who live and work around our facilities, among others. Developing and maintaining positive relationships with these varied groups is an important factor in our reputation and operational efficiency.

Stakeholder

#### Communities/Society

290 plants; distribution centers/warehouses; and engineering, research/development and sales facilities worldwide\*

\*We have announced plans to close a number of North American facilities as part of our restructuring actions; facilities that have been closed to date are not included in the above total. The 290 number includes six facilities operated by Automotive Components Holdings, LLC or ACH, which is controlled by us. We had been working to sell or close the majority of the 15 ACH component manufacturing plants by year-end 2008. To date, we have sold five ACH plants and closed another four. We plan to close a fifth during 2009 and a sixth in 2011. We are exploring our options for the remaining ACH plants and intend to transition these businesses to the supply base as soon as practicable.

#### Communication Forums

- Community Relations Committees
- Interactions with governments
- Membership in associations
- NGO dialogues

#### **Investors**

164,005 stockholders\*

\*As of February 13, 2009

- Investment community forums
- Quarterly earnings communications
- Annual Shareholders Meeting
- Annual Report
- Proxy Statement
- SEC Filings (e.g., 10-K, 10-Q, 8-K)

#### **Customers**

5.4 million vehicles

- Consumer Insight process
- Customer care programs
- Dealer interactions

#### **Suppliers**

2,000+ production suppliers 9,000+ nonproduction suppliers Over \$90 billion annual buy

- Top supplier meetings
- Aligned Business Framework supplier dialogue sessions
- Supplier quality roundtables
- Supplier Diversity Development Networking
- External supplier organizations, such as the Automotive Industry Action Group and the Original Equipment Suppliers Association

#### Dealers\*

Ford: 11,827 Mercury: 1,871 Lincoln: 1,427 Volvo: 2,341

- \* Worldwide dealerships, as of December 31, 2008. Because many of these dealerships distribute more than one of our brands from the same sales location, a single dealership may be counted under more than one brand. We sold Jaguar and Land Rover effective June 2, 2008.
- Intranet communications
- Brand sales and service representatives
- Brand Dealer Councils
- Dealer roundtables
- President's Circle
- Salute to Dealers
- Advertising and public service announcements

#### **Employees**

Approximately 213,000 employees\*

\*As of December 31, 2008

- Town hall meetings
- Labor-management committees
- Pulse survey
- Union representation
- Intranet surveys and chats
- Executive Council on Diversity
- Local Diversity Councils
- Employee Resource Groups

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# **Progress**







#### **Employees**

Over the last three years, Ford has significantly reduced employment levels in our North America business unit, decreasing overall salaried and hourly payroll from 135,700 individuals at the end of 2005 to about 75,200 individuals at the end of 2008. (These figures do not include dealership personnel.) We cut U.S. salaried personnel costs by another 10 percent in early 2009, and we have cut contract personnel by 50 percent over the last three years. We have focused on communicating effectively about these changes and minimizing the emotional toll of the layoffs for the employees who remain in the organization.

Among our salaried employees, overall employee satisfaction in 2008 improved slightly over 2007 levels. Our comprehensive Pulse survey showed improvement in about 61 percent of the 62 items evaluated.

This past year, a major safety indicator - global lost-time case rates - continued its trend of steady and marked improvement, dropping 17 percent from 2007 to 2008.

Our serious injury and fatality rates, however, did not meet our goals of zero in 2008. Tragically, we experienced four fatalities, including two direct Ford Motor Company employees in North America and two contractors - one in South Africa and one in India. We also experienced 173 serious injuries. In most of the cases, the causes were in higher-risk special focus areas for us, including issues relating to pedestrian safety in plants, energy control and power lockout, and lifting and rigging.

We deeply regret the deaths that occurred and offer our sincerest condolences to the family members, friends and co-workers of the four individuals. Ford has fully cooperated with the appropriate investigating and reporting agencies, and has taken actions intended to prevent similar accidents from happening in the future.

We have refocused the attention of our top executives and managers, and are using quality improvement processes to address safety issues. In North America, for example, management compensation has been more heavily weighted to safety results, including serious injury performance.

#### Suppliers

We are working closely with our suppliers to improve quality, find cost efficiencies and align our social and environmental practices. In 2006, we began a new supplier partner program called the Aligned Business Framework. Through this process, we are reducing the number of suppliers of different components but increasing our level of collaboration and commitment with these preferred suppliers. This system is improving costs and quality, as well as increasing innovation and teamwork with our strategic suppliers. See the Human Rights section for information on our Aligned Business Framework.

One hundred percent of our preferred, or "Q1," production supply facilities have attained ISO 14001 environmental management certification.

#### Dealers

Our dealers present our face to customers and communities and provide the Company with important feedback. The economic environment of the last year has demonstrated that we have too many dealers to sustain a healthy and profitable dealer network. To address this overcapacity, we have been downsizing and restructuring the Ford, Lincoln and Mercury network in our largest 130 metropolitan market areas.

#### Customers

In recent years, our markets have continued to change. Consumers are showing an increasing interest in more fuel-efficient vehicles, though they do not want to compromise on performance, style or affordability. Demand for vehicles in developing countries has continued to grow. We are working hard to understand and anticipate the products and services that customers want, including more sustainable vehicles.

### \$49 million

The amount of charitable grants the Ford Fund and other corporate giving programs gave to hundreds of organizations.

#### Communities

In 2008, Ford continued its longstanding tradition of investing in local communities, although challenging business conditions affected the amount of money Ford Motor Company Fund was able to provide in grants. During the year, the Fund and other corporate giving programs supported hundreds of organizations with charitable grants totaling \$49 million. Our programs and initiatives focus on education, American heritage and auto-related safety.

In 2008, the Ford Volunteer Corps continued to build stronger communities around the world. During Ford's Global Week of Caring in September, about 9,000 employees on six continents donated 24,000 hours of work on community service projects – the equivalent of \$480,000 of in-kind corporate contributions.

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Our employees are our most valuable resource. They are also the group of stakeholders who are most immediately affected by our restructuring. During 2008, we continued to take painful but necessary steps to reduce our salaried and hourly workforce, as part of our multi-year effort to return our North American operations to profitability.

Over the last three years, we have reduced employment levels in our Ford North America business unit by about 60,500. As of December 31, 2008, our Ford North America business unit had approximately 22,400 salaried employees and 52,800 hourly employees (including 3,200 at our Automotive Components Holdings facilities), compared with approximately 35,600 salaried employees and 100,100 hourly employees (including 13,900 at our ACH facilities) on December 31, 2005. Most of our hourly worker reductions were the result of early retirement offers and voluntary separation packages to U.S. employees, including Ford employees at our ACH plants.

During the third guarter of 2008, we reduced our salary-related costs by about 15 percent, which included the involuntary layoff of some salaried employees. We reduced our salaried workforce by 10 percent during the first quarter of 2009.

Since 2005, we have closed 12 manufacturing facilities in North America (including ACH facilities), and we have announced that four additional plant closures will take effect between 2009 and 2011. Two of these planned facility closures involve ACH facilities, with one ACH plant closing in 2009 and another in 2011. We are exploring our options for the four remaining ACH plants and intend to transition these businesses to the supply base as soon as practicable.

Ford fully complies with the federal Worker Adjustment and Retraining Notification Act (WARN), which requires companies to provide 60-day notifications of plant closures to employees.

See the Economy section of this report for more information on the <u>plant closures and separation</u> agreements.

We have entered into collective bargaining agreements with the UAW1 and the National Automobile, Aerospace, Transportation and General Workers Union (CAW) of Canada. Our agreements with the UAW and CAW provide for guaranteed wage and benefit levels throughout the term of the respective agreements, and provide for significant employment security, subject to certain conditions. As a practical matter, these agreements may restrict our ability to close plants and divest businesses during the terms of the agreements. Our agreement with the UAW expires on September 14, 2011.

In early 2009, we negotiated a mid-contract agreement with the UAW that will be critical to our efforts to operate through difficult financial times. We estimate that modifications to the contract will save us \$500 million a year through a variety of mechanisms, including restructuring the financing of the Voluntary Employee Beneficiary Association, or VEBA, an independent trust designed to ensure health care coverage for current and future employees. (See the Sustaining Ford and Economy sections of this report for more detail.)

In 2008, we negotiated new Ford collective bargaining agreements with labor unions in Argentina, Brazil, France, Mexico, New Zealand, Romania, Russia, Taiwan and Thailand. We also negotiated a collective bargaining agreement at our Volvo (U.S.) affiliate. We began negotiations with labor unions in the UK and Germany in the fourth quarter of 2008; these were expected to be completed in 2009.

In 2009, we are or will be negotiating new collective bargaining agreements with labor unions in Australia, Belgium, Brazil, France, Mexico, New Zealand, Russia, Spain, Taiwan and Thailand.

We have taken further steps to reduce costs among salaried personnel, including: eliminating 2009 merit increases and bonuses; suspending 401(k) matches, tuition assistance and dependent scholarships; capping retiree life insurance at \$25,000; and increasing employee cost-sharing in benefit programs.

In January 2008, we announced "One Ford," which aligns our efforts toward a common definition of success. One Ford provides consistent goals and expectations for employees, whether they work in Michigan or Shanghai, with a clear focus on the skills and behaviors we must demonstrate to

Our One Ford plan is designed to help every employee achieve his or her fullest potential as we work together to move the business forward.

accomplish One Team, One Plan, One Goal. All members of our global team are held accountable for incorporating One Ford into their daily work.

One Ford is designed to help every employee achieve his or her fullest potential as we work together to move the business forward. Over the last year, we have incorporated One Ford into our people processes, beginning with employee development. We have revamped our employee leadership and professional development programs to align with One Ford, providing employees with Web-based and classroom training to foster functional and technical excellence, encourage teamwork, promote Ford values and enhance our ability to deliver results. Our performance management processes ensure that employee objectives and behaviors align with One Ford. In the current economic environment, it is more important than ever to invest in our employees, strengthen their leadership skills and recognize them for delivering results that cultivate success.

Our efforts have also focused on supporting our employees following restructuring. We created a tool kit to help supervisors and employees adjust after their colleagues have been let go. Many employees go through what can be described as "survivor's syndrome" in the wake of personnel reductions. These employees, who might feel at once guilty and thankful to still have a job, wrestle with the frustrations of losing friends and colleagues. They also often must adjust to new job descriptions and workloads.

At Ford, we recognize the emotional toll that restructuring takes on an organization and on the people who remain. We believe that we must continue to look at our employees as our greatest asset and to develop programs that make their health and well-being a top priority.

As we move forward, we want our employees to feel fulfilled, to be engaged in our Company's recovery and, above all, to have confidence in Ford's future. We are working hard to help our employees understand their roles and where they fit in our organization and to see how their efforts will enable us to reach our goals as a Company.



#### ONE TEAM

People working together as a lean, global enterprise for automotive leadership, as measured by:

Customer, Employee, Dealer, Investor, Supplier, Union/Council, and Community Satisfaction

#### ONE PLAN

- Aggressively restructure to operate profitably at the current demand and changing model mix
- Accelerate development of new products our customers want and value
- · Finance our plan and improve our balance sheet
- · Work together effectively as one team

#### ONE GOAL

An exciting viable Ford delivering profitable growth for all

#### **Expected Behaviors**

- Foster Functional and Technical Excellence

  Know and have a passion for our business and our customen
  - Demonstrate and build functional and technical excellence
  - Ensure process discipline
  - Have a continuous improvement philosophy and practic

#### Own Working Together

- Believe in skilled and motivated people working together
- Include everyone; respect, listen to, help and appreciate others
- Build strong relationships; be a team player; develop ourselves and others
- Communicate clearly, concisely and candidly

#### Role Model Ford Values

- Show initiative, courage, integrity and good corporate citizenship
- · Improve quality, safety and sustainability
- Have a can do, find a way attitude and emotional resilience
- Enjoy the journey and each other; have fun never at others' expense

#### **Deliver Results**

- Deal positively with our business realities; develop compelling and comprehensive plans, while keeping an enterprise view
- Set high expectations and inspire others
- Make sound decisions using facts and data
- Hold ourselves and others responsible and accountable for delivering results and satisfying our customers
- Officially, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.



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### Diversity and Inclusion in the Workplace

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At Ford, we have made diversity and inclusion a priority of our Company. We believe that building and supporting a culture of respect is a business imperative that enables all of our employees to do their best work. Diversity and inclusion play a key role in creating an effective, collaborative culture and help us work as a unified team to most effectively improve our business.

Ford values the skills, strengths and perspectives of our talented and diverse team. Our customers are located around the world, and we believe our diversity will help us achieve global automotive leadership, enabling the Company to be more innovative and focused on individuals in the workplace and marketplace.

Ford Motor Company has a history of diversity and inclusiveness, dating back to its early days when Henry Ford was among the first to establish a company with employees who represented the communities it served.

Our definition of diversity includes all those things that make each of us unique individuals. Our backgrounds, opinions, experiences, perspectives and life situations are just some of the distinctions we bring to the global workplace.

At Ford, diversity is:

- Respect for our employees, customers, communities, dealers, suppliers and retirees
- Appreciation of our differences
- Inclusion of every person and every perspective
- Integrity to do the right thing, always

We integrate our diversity strategy into our business based on five focus areas: leading the way, supporting our diverse workforce, fostering a respectful and inclusive environment, work/life flexibility and strengthening our external partnerships. Examples of our efforts in these focus areas include the

- Ford currently supports 11 Employee Resource Groups that help foster diversity and inclusion. These include groups for African-American, Hispanic, Asian-Indian, Chinese and Middle Eastern employees; veteran and active military employees; employees dealing with disabilities; female professionals; working parents; gay, lesbian, bisexual and transgendered employees; and employees of multiple religious faiths. In addition to supporting our employees, these Resource Groups organize community volunteer activities and provide us with an opportunity to better understand the consumer needs and wants of individuals of diverse backgrounds. Though these groups are based in the United States, many have chapters around the world.
- The executive leadership team, led by our CEO, champions diversity and inclusion at Ford. To work together effectively across the global enterprise, the leadership team ensures that diversity and inclusion perspectives are integrated into business objectives and key human resources processes.
- Ford's commitment to diversity and inclusion is also communicated in ongoing forums, such as town hall meetings and newsletters. As a part of these efforts, we have held a Diversity & Inclusion Summit each year since 1999. The goals of the Summit are to share information and best practices and promote dialogue around diversity, inclusion and worklife; celebrate successes; and recognize employees who have contributed to the Company's success in building a diverse and inclusive culture that drives business results. At the 2008 Summit, Ford affiliates in Europe, Asia Pacific, Africa, South America, Mexico, Canada and the United States were recognized for their efforts in leading and cultivating a diverse and inclusive workplace and community.

Ford has longstanding policies clearly stating that harassment in the work environment because of race, religion, color, age, sex, national origin, disability, sexual orientation or veteran status is a violation of the spirit and intent of the Company's nondiscrimination policies and commitment to zero tolerance to this type of behavior. These policies apply to all individuals, including part-time, supplemental and agency employees. Ford understands its responsibility to foster a respectful work environment free of harassment or discrimination at all levels of the organization. We take this responsibility extremely seriously and thoroughly investigate any claim of violation(s).

Our collective bargaining agreements address this issue and allow union-represented employees the right to use the grievance process. Ford's <u>Code of Basic Working Conditions</u>, as well as several global Policies and Directives, directly address the issue of respect and inclusion. These include:

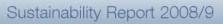
- Local Equal Employment Opportunity Policy Statement
- Policy Letter No. 2: "Relationships with Employees"
- Policy Letter No. 6: "Equal Opportunity and Affirmative Action"
- Directive B-110: "Anti-Harassment/Zero Tolerance"

In the U.S., there are a number of avenues available to employees who wish to make and/or document a complaint. These processes are communicated to all employees through the Open Door Policy and through various policies posted online. Some of these avenues are:

- Reporting the incident or concern to a supervisor or any other member of management
- Filing a complaint with the local human resources office.
- Contacting the human resources representative at the division office or at World Headquarters in Dearborn, Michigan
- Calling the corporate hotline, which is answered at World Headquarters
- Using peer review, which is an internal alternative dispute resolution process

The Company also has longstanding strong relationships with the Equal Employment Opportunity Commission (EEOC) and state civil rights agencies. In 2004, the Company signed a Universal Agreement to Mediate with the EEOC, which enhances our pledge to address claims of discrimination and/or harassment quickly and efficiently. We stand committed to cooperating with those civil rights agencies that provide resources to the people of our diverse communities in an effort to eliminate discrimination or harassment in the workplace.

Furthermore, the Company tracks data internally, which enables us to measure the effects of our policies and practices for prohibiting and preventing discrimination, harassment and any other unwanted or illegal behavior, and leverage those policies to address issues efficiently and improve the overall morale of our workers. The internal tracking is proprietary to Ford Motor Company.



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### **Diversity Awards**

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We have received hundreds of awards in the last few years from publications and organizations that recognize the value we place on diversity and inclusion. We have been recognized by DiversityInc as a Top Company for Diversity since the award's inception, and were named one of five Top Global Companies for Diversity in 2008. Specific diversity awards given in 2008/2009 include the following.

- Two 2008 Urban Wheel Awards (African-American Executive of the Year and Asian-American Executive of the Year) for two Ford executives - On Wheels, Inc.
- Top 50 Companies for Diversity DiversityInc
- Top 5 Global Companies for Diversity DiversityInc
- Top 10 Best Companies for Supplier Diversity DiversityInc
- Top 25 Companies for Female Executives National Association of Female Executives
- Diversity Elite 60 and a Top 25 Supplier Diversity Company Hispanic Business Magazine
- Corporate Diversity Honor Roll Latin Business Magazine
- Top 50 Companies for Diversity Black Enterprise Magazine
- Top Diversity Company Diversity/Careers in Engineering and Information Technology Magazine
- Top 50 Companies for Engineers U.S. Black Engineer & Information Technology Magazine
- Div50 List: America's Top Organizations for Multicultural Business Opportunities DiversityBusiness.com
- Shining Star National Mobility Equipment Dealers Association
- Workplace Equality Index, Ford of Britain Stonewall
- Corporate Equality Index 100% Rating Human Rights Campaign
- East of England Business in the Community Awards
- 1st Place for Outstanding Social Engagement German Ministry for Economy and Science
- Most Friendly Workplace Award Taiwan's Ministry of Labor Commission
- Best Fortune 500 Corporate Social Responsibility Performers in China Southern Weekly Magazine
- Employer of Choice for Women Australian Equal Opportunity for Women in the Workplace Agency
- Silver Award UK Race for Opportunity



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### **Employee Satisfaction**

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In 2008, 69 percent of our salaried employees participated in the annual Pulse survey, which provides insight into employees' overall satisfaction with the Company, their jobs, diversity and other aspects of workplace satisfaction.

The Pulse survey includes a total of 62 items, eight of which make up what we call the Employee Satisfaction Index (ESI). Sixty-six percent of respondents gave favorable ratings on the ESI in 2008, up two percentage points from 2007 levels. Compared with 2007, about 61 percent of the 62 items improved, 17 percent declined and about 21 percent remained the same.

The area showing the greatest improvement was employee perceptions about work-related stress. Other areas showing improvement included supervision, diversity and communications. In addition, employee satisfaction with actions being taken to improve quality maintained a high level of favorable employee satisfaction.

As part of our efforts to increase satisfaction, we are constantly improving our strategies for fostering open dialogue with employees. We know that communication is especially important during difficult financial times, and we have been enhancing our internal communication efforts to build trust and increase transparency. For example, we hold weekly interactive Webcasts with all employees, during which employees can submit questions directly to top executives. We also have a Web-based forum for submitting and discussing innovative ideas.

We are also working to ensure that our employees share in the excitement of the vehicles we are developing. In 2008, we held "Drive One" product events at our headquarters and several of our plants, so that employees could be among the first to test drive our 2009 vehicles, including the Ford Edge, Flex, F-150 and Escape Hybrid.



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### Workplace Health and Safety

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In 1999, Ford began a Safety Leadership Initiative aimed at making our workplaces safer. In the 10 years since, we have seen dramatic results, with key injury rates dropping to nearly a tenth of their previous levels. The practices established in this initiative are now so fully a part of how we run our business that we've dropped the term "Initiative" and now simply call it "Health and Safety Leadership."

The "health" part of health and safety is also an increasing focus for Ford. This is driven by growing recognition of the impact that health issues like heart disease, diabetes and obesity can have on the well-being of our employees, as well as the cost of providing health care to our current and retired workforce in the U.S. (See the Economy section for further discussion of health care costs.) By helping employees to prevent serious diseases and effectively manage chronic conditions, we can have a positive impact on our employees' quality of life and our bottom line.

We organize workplace health and safety programs using the framework described in this section.

A SAFE WORKPLACE =									
SYSTEMATIC + LEADERSHIP	SAFE CONDITIONS	SAFE ACTS +	RELATIONSHIP MANAGEMENT						
=			=						
Governance + Evaluation + Accountability	Design  + Maintenance  + Operating Systems  + Workplace Environment Controls	Awareness  + Training & Competency  + Motivation & Compliance	Internal Relationships  + External Relationships  + Effective Communication						



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### Systematic Leadership





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The "leadership" in Health and Safety Leadership reflects our view that leaders at all levels achieve the safety results they expect and demand. When leaders demonstrate zero tolerance for unsafe actions and conditions, everyone develops a zero-injury mindset. We seek to build safety leaders at all levels in the organization.

We consider systematic leadership to have three components: governance, evaluation and accountability.

#### Governance

We have comprehensive governance systems for health and safety management. Our overarching Occupational Health and Safety (OHS) policy is established through a corporate Policy Letter and Directives. In addition, global OHS standards cover all health and safety topics, including safety, ergonomics, occupational hygiene, toxicology, clinical operations, fire and security.

The most efficient and cost-effective way to reduce safety and ergonomic risks in the manufacturing process is to engineer them out upfront. Our global manufacturing engineering teams use the latest technology of "virtual manufacturing" to predict and eliminate risks during the design stage.

We have strengthened our global governance of workplace health and safety by reviewing key health and safety indicators more frequently with senior management. We review safety regularly at the plant level and in regional OHS committees. Our President and CEO and senior operating team review safety performance as part of their regular Business Plan Review.

#### Evaluation

Health and safety specialists conduct Safety and Health Assessment Review Process (SHARP) audits at our manufacturing facilities as an integral part of our manufacturing management systems. During 2008, we launched a major global revision of SHARP to streamline and simplify it and align it with Ford's current corporate standards and plant operating systems. The SHARP audit is now more similar to other internationally recognized management systems documents.

We also conduct unannounced audits, as well as audits of special high-risk areas. Facility staff perform SHARP self-assessments and more frequent internal audits to verify key processes. Any significant incidents are reported weekly on a global basis so plant managers at other facilities can learn from each incident and take preventive action.

Nonmanufacturing sites conduct yearly self-assessments of their OHS risks and performance. All sites must respond to a series of safety questions that have been integrated into the Ford General Auditor's Office standard review program.

We also conduct a safety culture survey, which was recently integrated into our overall annual Pulse survey of employees, to assess attitudes toward health and safety. The results of this survey, combined with audits and routine gathering and sharing of performance data, provide a comprehensive picture of health and safety performance trends, as well as early warning of conditions that could lead to a decline in performance. The results of the 2008 Pulse survey show that the vast majority of Ford employees - 86 percent - are satisfied with the Company's safety culture.

#### Accountability

We establish accountability for health and safety performance through our business planning and scorecard processes, which set targets and assign responsibility for meeting those targets. Business Operation and plant managers are responsible for health and safety in the operations they manage, and their performance in this area is a significant factor in their incentive compensation. In addition, safety performance is included in the scorecards of salaried employees as appropriate, including those of the CEO and executive vice presidents.

We have also increased accountability expectations for plant workers, which has contributed to the long-term reduction in serious work injuries. For example, in the spring of 2008, we imposed stricter penalties for workers who deliberately break safety rules that could result in serious or fatal injuries. Flagrant violators are liable for suspension or termination – even on a first offense.

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#### Safe Conditions





A safe workplace is in part a product of the design and maintenance of the facility and its equipment, effective work processes and appropriate safeguards for potentially hazardous conditions. We use a variety of processes and programs to assess and manage risks. When potential hazards cannot be addressed through engineering, we use personal protective equipment and procedural controls to help prevent accidents and exposures.

We use internal and external benchmarking to drive health and safety improvements. Internal benchmarking helps us learn from plants that have demonstrated exemplary results and share the key leadership attributes that drive Occupational Health and Safety excellence. External benchmarking on injury performance and safety processes serves to challenge our facilities to achieve best-in-class performance and document effective injury performance and management processes.

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### Safe Acts



raise awareness of safety issues and reinforce it consistently with employees via regular communication at work group meetings and trainings for managers, supervisors and engineers who design equipment.

Our President's Health & Safety Award Program recognizes Ford facilities and groups with outstanding safety innovations and results, thereby encouraging others to follow suit. The award is given in three categories - performance, innovation and special recognition. To win a performance award, facilities must meet or exceed annual corporate health and safety objectives. Ford did not give any performance awards during 2008 due to the fatality and serious injury performance of the Company. Ford did, however, present several individual recognition awards for exceptional Health and Safety Leadership. The Roman Krygier Award honors those leaders who help to make Ford a safer place. For 2008 results, see Workplace Safety data.

In early 2007, we adopted health and safety standards for service contractors, similar to the standards we have in place for our construction contractors. The service contractor standards are directed at ensuring the health and safety of contracted employees while they are onsite, and ensuring that those individuals do not operate in a manner that endangers the health or safety of our direct employees.

We analyze our serious injury events and deploy specific actions to prevent recurrence. For example, our safety professionals provide management with measurable feedback on a regular basis via a new Safe Behavior Index that we launched in North America in 2008. The Index, which was already in place in our South American and Asia Pacific operations, measures observations of people not working safely and allows us to take corrective actions when required. We are also improving our analyses throughout all manufacturing facilities for nonstandard production and maintenance jobs, such as repairs in unplanned locations, as well as infrequent or unexpected maintenance tasks. Outside of our manufacturing facilities, Ford has developed safe driving processes for employees driving on Company business.

In the first quarter of 2009, we held a 90-day challenge to focus on reducing slip-and-fall injuries. We are also reviewing the snow and ice removal procedures for our facilities with an eye toward developing new standards, since many of the slip-and-fall injuries occur as employees enter or exit our buildings.







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### Relationship Management





We know that to manage health and safety effectively, we must maintain good relationships with all stakeholders. Our unions globally share our commitment to a safe working environment and have been our partners at every step of the Health and Safety Leadership effort and other health and safety programs. We also maintain important external relationships with regulatory agencies, professional organizations and suppliers. The formal partnerships among Ford, the UAW and the U.S. and various state Occupational Safety and Health Administrations are a visible example.

We use multiple communication channels to reinforce safety messages, from our internal video broadcast system to messages from senior executives. In addition to regular safety talks, we periodically hold safety stand-downs that shut production at our plants to focus attention on a safety message. We can communicate nearly instantaneously with health and safety specialists worldwide, alerting those at similar facilities when a significant accident occurs, so they can take appropriate preventive action.



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### Health as a Strategic Advantage

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We have many programs and processes to ensure that our working environment does not damage the health of our people. A natural extension of this idea is to seek to enhance the health of our workforce, their families and the communities in which we operate. Good health contributes to well-being, longevity and productivity, among other benefits. And since families tend to share health habits - good and bad promoting health among our employees can contribute to healthier communities.

In the United States, where health care costs are a major issue for the Company, we have increased our emphasis on health and wellness programs. We are providing resources and tools to employees to help them make sound choices about health care services and coverage, and to help them understand the benefits of being a better health care consumer.

We are collaborating with communities and government agencies by:

- Promoting and investing in the adoption of health care information technology (HIT) through local initiatives, with funding assistance from government. HIT will enable physicians and hospitals to have access to all the information they need to provide their patients with the most appropriate care.
- Participating in regional health care quality measurement and public reporting initiatives, with potential data-sharing and funding assistance from government.

We also provide health programs to our employees and their families in varying forms in many other countries. We are working to ensure that all of these programs are designed and administered in a way that delivers optimum health results. In addition, we are developing a comprehensive global health strategy to ensure that our efforts are targeted at local health priorities and that our people receive quality health care when they need it. Working with employees to identify and modify their personal health risk factors is a core element of the strategy. We are also working to leverage our global strengths by improving the way we share and coordinate our health promotion programs. During 2007, we developed and published a global set of standard health metrics to be used to assess the health of our workforce and track the results of programs aimed at improving it. Examples of the metrics include smoking and obesity prevalence, rates of diabetes and hypertension, and the number of employees whose diabetes or hypertension is successfully controlled.

Elements of health and wellness programs around the world include health screenings, education and promotional campaigns. For example, Ford of Brazil implemented "Programa Viva Bem," which promotes health campaigns in areas such as weight control, stress management, nutrition, diabetes prevention, breast cancer prevention and flu vaccination. These campaigns reduce absenteeism while reflecting positively on Ford's social commitment. Ford of Mexico developed programs at its facilities targeting similar issues. Health strategies vary by region and are flexible, in order to be tailored to local needs.

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### Our 2008 Safety Record

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Ford's workplace safety record in 2008 was mixed. On the positive side, a major safety indicator - losttime case rates - continued to improve, dropping 17 percent compared to 2007. Although injury severity rates had been going down steadily for a number of years, the rate ticked upward by seven percent for 2008, most likely as a result of our rebalancing actions in our plants.

Improving our safety record is not only good for our employees, it's good for our business. We have calculated that progress in lost-time cases and days lost saves the Company approximately \$30 million in direct costs each year.

The number of serious injuries and fatalities at our facilities did not meet our goals in 2008. Tragically, we experienced four fatalities, including two direct Ford Motor Company employees in North America and two contractors - one in South Africa and one in India. We also experienced 173 serious injuries, involving 143 employees, 17 contractors and 13 joint-venture employees. In most of the cases, the causes were in higher-risk special focus areas for us, including issues relating to pedestrian safety in plants, energy control and power lockout, and lifting and rigging.

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#### Dealers

As the public face of Ford within our communities, our dealers are key employers and contributors to local economies. Market conditions, however, have forced us to confront an overcapacity within our dealer network, and we have begun downsizing in our largest 130 metropolitan market areas. Our intention is to provide targeted average-year sales for Ford dealers at 1,500-plus units and Lincoln Mercury dealers at 600-plus units. (For more on our dealer restructuring, please see the Economy section of this report.)

Although we have downsized in North America, we are working to expand our network of dealers in markets where we have growth opportunities. In China, for example, we opened our 200th full-service dealership in May 2008. That's double the number of dealerships we had at the end of 2005. The Ford dealer network in South America has been strengthened in recent years with an exciting product lineup, a stronger brand and growing local industry.

Dealer satisfaction is measured in various ways, including the biannual survey of the National Automobile Dealers Association (NADA), as well as day-to-day interaction with our dealers. Progress is also evaluated through numerous meetings with our National Dealer Councils and Dealer Advisory Boards. Approximately 45 percent of dealers provided feedback through the summer 2008 NADA survey process, which showed notable improvement in the areas of people and policy. In fact, the scores in these categories were at record highs for Ford Motor Company.

#### Dealer Diversity

Ford continues to lead other automakers in its percentage of minority-owned dealerships - with 255, or 6.2 percent of our 4,106 U.S. dealerships. 1 Ford supports its Leadership Education for Automotive Dealerships (LEAD) certificate training program at Arizona State University and has graduated its second group of students from Historically Black Colleges and Universities and Hispanic-Serving Institutions. LEAD is designed to provide students with exposure to career opportunities in the auto industry and the key leadership and entrepreneurial skills necessary to enter high-level positions within the industry. Over the past year, Ford has sponsored more than 25 minority business associates in automotive retail training programs.

Due to economic conditions, Ford will be restructuring the use of its Dealer Development Investment Program in 2009. In prior years, the program provided funding for qualified candidates who dedicated themselves to a career in automotive retailing. Dealer Development (DD) has implemented a program designed to reduce the number of DD dealerships from 64 by assisting qualified operators to become private capital owners. All partial-equity DD operators can buy out their dealerships for \$1 and execution of a general release. Ford will give up ownership interest and forgive capital loans. This offer will expire on September 30, 2009.

<sup>1.</sup> Numbers are as of December 31, 2008, for Ford, Lincoln, Mercury and Volvo dealerships.

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### Salute to Dealers





Dealer Principals Honored with the 2009 Salute To Dealers Bottom/Left to Right: Larry Geweke, Philip Schmidt, Denny LaBantschnig, Rich Mohr Top/Left to Right: Scott Spitler, Edsel B. Ford II, Liza Myers Borches, Todd Spitler

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Ford annually recognizes dealers' outstanding contributions to their communities through its "Salute to Dealers" program. The program was established in 2001 to demonstrate our commitment to dealers who provide outstanding products and services, and improve the lives of those in need. Dealers from all five of our brands (Ford, Lincoln, Mercury, Volvo and Mazda), representing more than 6,000 dealership franchises in the U.S. and Canada, are eligible to be nominated. Ford is very proud of the contributions made by the dealers who are nominated for this award and the 78 men and women who have been selected as Salute to Dealers honorees over the past nine years. Considering the high quality and community spirit of our dealer body, this is a tribute to their hard work and dedication to make the world a better place.

Six dealer principals received the 2009 Salute to Dealers award. They are:

- Liza Myers Borches, Volvo of Charlottesville, Charlottesville, Virginia. Borches' deeprooted commitment to the community spans a range of causes, from raising funds for a local children's hospital to founding and leading an organization directing the philanthropic efforts of the area's professional women. Her civic responsibility translates into high-impact support for social services and nonprofits. A fourth-generation Ford dealer, Borches carries on a family tradition of active leadership in organizations like the local United Way.
- Larry Geweke, Larry Geweke Ford and Geweke Ford Mercury, Yuba City and Lodi, California. Geweke's dedication to breast cancer awareness, treatment, research and survivor support has touched thousands of lives in the past decade. His support has grown from a single fundraiser to nine events along with low-cost mammogram screenings hosted during a month-long campaign spanning multiple communities. In addition to these efforts, Geweke provides assistance for scout troops, youth sports leagues, 4-H Clubs, anti-drug programs, the Special Olympics and monthly Youth Service Awards.
- Denny LaBantschnig, Denny Ford Lincoln Mercury, Rolla, Missouri. LaBantschnig's commitment to the community appears most prominently in the Fill a Ford for the Holidays campaign he started in 1990. That year, he and his employees delivered two Ford pickups full of nonperishable goods to four area food pantries. Today, the campaign benefits more than 20 organizations and utilizes more than 42 pickup loads. LaBantschnig also extends support to many other causes, including raising funds to construct a safe playground for disabled and mentally challenged children.
- Rick Mohr, Eau Claire Ford Lincoln Mercury, Eau Claire, Wisconsin. Mohr encourages his Eau Claire Ford Lincoln Mercury employees to get involved in the community, and he leads by example. He hosts multiple American Red Cross blood drives in his showroom each year; offers free child safety seat inspections; and provides leadership for a nonprofit career development center serving disabled adults and teens. These efforts and others support Mohr's personal belief in the importance of community commitment.
- Philip A. Schmidt, Greiner Ford Lincoln Mercury, Inc., and Converse County Motors, Casper and Douglas, Wyoming. Schmidt embraces community involvement as a duty, not a choice. His efforts positively impact thousands of individuals in and around the city of Casper, where he has guided successful campaigns to significantly improve medical technology and

increase capacity at Wyoming Medical Center, the city's largest employer. Schmidt also was a strong advocate for the development of a regional water treatment plant and extends support to area youth and education organizations.

Todd and Scott Spitler, Brighton Ford Mercury, Brighton, Michigan. As third-generation automotive dealers, brothers Todd and Scott Spitler carry a family tradition of contributing time, financial support and other resources to the community in which they live and work. Their civic spirit benefits a variety of educational and charitable efforts, including promotion of the arts and athletics in area schools, fundraising for cancer research and support for organizations promoting the local economy.

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### Suppliers

Ford and its suppliers must work jointly to deliver great products, to have a strong business and to make a better future. In today's economic environment, achieving lower costs and improving quality will require an unprecedented level of cooperation with suppliers and the maintenance of strong supplier relationships.

Beginning in 2006, we introduced an Aligned Business Framework (ABF) with our strategic suppliers to accomplish these goals. In 2008, we continued to identify specific strategic suppliers for additional key commodities. Through this process, we are continuing to reduce the number of suppliers for select commodities and increasing the use of common parts for multiple vehicles. This will allow us and our suppliers to reduce costs and improve quality. It will also increase our level of coordination with suppliers and facilitate more joint development of new innovations. The ABF will give chosen suppliers a greater share of our business and a better knowledge of future volumes.

In addition to these ABF goals, we are committed to maintaining strong relationships with suppliers by:

- Adhering to Ford Supplier Relationship Values
- Deploying a single global product-creation process that combines aggressive execution of product plans with minimal variances
- Enhancing process stability, commonality and reusability
- Improving communication by providing real-time performance data to the supply base
- Providing suppliers with greater access to senior Ford managers in small-group settings
- Establishing organizational stability models in Manufacturing, Product Development and Purchasing
- Improving order fulfillment
- Engaging the supply base in discussions about process stability, incoming quality and corporate citizenship, and involving suppliers in coalitions to create awareness of industry issues

It is important that our suppliers share our commitment to environmental and social performance. We have developed programs and partnerships to help align our suppliers' practices with our own.

In This Report: Human Rights

### **Human Rights**



Since 2005, the core contract governing Ford's business relationship with our production and nonproduction suppliers has reflected the requirements in our Code of Basic Working Conditions that prohibit the use of forced labor, child labor and physical disciplinary abuse. Ford requires suppliers to ensure that products – no matter where they are made – are manufactured under conditions that demonstrate respect for the people who make them. In 2008, we expanded our training, corporate engagement and industry collaboration programs with the goal of making an even stronger impact in the markets in which we do business. We have conducted trainings and assessments of suppliers in 20 countries and developed an approach to ensure alignment with our Code throughout our supply chain. For more detail, see the <a href="https://example.com/html/markets">https://example.com/html/markets</a> in which we do business. We have conducted trainings and assessments of suppliers in 20 countries and developed an approach to ensure alignment with our Code throughout our supply chain.



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#### **Environmental Performance**

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Ford requires its "Q1" (preferred) production suppliers to attain ISO 14001 environmental management certification of manufacturing facilities that ship products to Ford. ISO 14001 certification is also expected of Q1 nonproduction suppliers if the supplier site is a manufacturing site or a nonmanufacturing site with significant environmental impact.

By 2006, 100 percent of Q1 production suppliers had achieved ISO 14001 certification. Suppliers that did not meet the deadline were not eligible for Q1 status, which is a prerequisite for consideration for future Ford business. We also encourage our suppliers to extend the benefits of improved environmental performance by requiring their own suppliers to implement environmental management systems as well.

#### Supplier Diversity

We are committed to increasing the diversity of our supply base. Our Supplier Diversity Development Office works with business leaders, trade associations and community-based organizations to create opportunities for businesses owned by minorities and women. In 2008, we purchased \$3.3 billion in goods and services from more than 250 minority-owned suppliers and more than \$763 million in goods and services from more than 200 women-owned businesses. Financial commitments like these have earned us a seat at the "Billion Dollar Roundtable," an exclusive group of 13 companies that spend a minimum of \$1 billion annually with diverse suppliers. Despite considerable headwinds, Ford is committed to incremental year-over-year percentage increases in sourcing from diverse suppliers. We encourage similar actions across our supply chain. In 2008, more than 400 of our largest suppliers purchased more than \$1.5 billion from minority- and women-owned enterprises in support of Ford business.

### Supplier Sustainability Leadership

For several years, Ford has recognized supplier companies that demonstrate leadership in environmental and social performance with a corporate responsibility award. Suppliers must meet several criteria, including ISO 14001 certification at all manufacturing sites, full acceptance of Ford's Global Terms and Conditions, and demonstration of overall sustainability leadership by incorporating environmental and social considerations into their business.

In the spring of 2008, Ford selected two winners for the 2007 Corporate Responsibility Recognition of Achievement Award: BASF Corporation and J.B. Hunt Transport Services, Inc. BASF, a leading chemical company that is driving innovations to improve the quality of life, has a portfolio ranging from oil and gas to chemicals, plastics and agricultural products. BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition and mobility. The company is listed on the Dow Jones Sustainability Index and is recognized by the New York research firm Innovate Strategic Value Advisors, Inc., as one of the Global 100 Most Sustainable Corporations.

J.B. Hunt Transport Services, one of the largest transportation logistics companies in North America, provides safe and reliable transportation services to customers in the continental U.S., Canada and Mexico. J.B. Hunt has a long history of finding new ways to transport products in a safe, low-cost and sustainable manner. By converting trucking shipments to rail shipments, for example, the company reduced its carbon emissions by more than 50 percent, equivalent to 15 tons per truck per year. As a result of these and other efforts, J.B. Hunt was recognized in 2007 as an Environmental Protection Agency SmartWay Transport Partner, a voluntary effort between the government and the transportation industry to develop and implement methods that improve air quality and reduce greenhouse gas emissions in transportation.

#### RELATED LINKS

**External Web Sites:** 

J. B. Hunt International

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#### Customers

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Our customers' wants and needs continue to evolve. We monitor consumer trends and develop and promote products to fit particular market segments. In recent years, we have paid particular attention to the growing demand for more fuel-efficient and cleaner vehicles.

The economic slowdown has created a sharp downturn in the number of customers buying new cars. In an effort to boost consumer confidence, we announced a sales incentive plan in March 2009 that includes guaranteed payment protection - up to \$700 a month for a full year - for U.S. customers who lose their jobs after purchasing a new Ford, Lincoln or Mercury vehicle. The Ford Advantage Plan was to take place between March 31 and June 1.

Please see the Economy section of this report for <u>further discussion of our customers</u>.

### **Diversity of Customers**

Our customers are increasingly diverse. Our Insight program helps dealers better understand and serve minority customers. The program includes Web-based cultural training, in-dealership workshops and assistance in developing comprehensive multicultural strategies.

As part of our multicultural efforts, we have launched a multi-language Asian-American Web site. Meanwhile, our integrated Spanish Web site - Ford's "Mi Negocio" (My Business) - is one of the most comprehensive of its kind in the auto industry, offering a one-stop resource and outreach services in key Hispanic markets.

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Fundamental changes are underway within our industry and our Company, including increased competition globally and changing markets for our products, with the bulk of future sales growth expected to occur in emerging markets. At the same time, we and other companies are expanding sourcing in these lower-cost emerging markets, as a way to serve both local markets and the global supply chain. These changes are affecting not only how we manage our operations, but also how we engage with and affect the communities in which we operate.

In North America, we are taking some significant and difficult actions as part of our effort to restore our operations to profitability. These actions include idling facilities, reducing employment and reducing the amount we spend on charitable contributions. We recognize and regret that these actions will have negative consequences in the affected communities, and we are working closely with our stakeholders to manage them responsibly. See the  $\underline{\text{Economy}}$  section for more information.

In addition to the changes under way in our North American operations, sourcing and sales trends mean that Ford is operating in a greater number of emerging economies. Whether doing business in Michigan or Malaysia, we seek to respect and make a positive contribution to our host communities. Operating in emerging economies, however, does bring with it some new community issues for us to understand and manage.

One of these issues is human rights. Specifically, we must ensure that our products, no matter where they are made, are manufactured under conditions that demonstrate respect for the people who make them. We also must respect the rights of people living in the communities around our facilities, as well as our suppliers' facilities, who may be affected by those operations We view respect for human rights as not only a core operational issue, but also as a key to maintaining the trust and respect of local communities. That trust is critical if we want to continue to operate and, increasingly, sell our products in those locations. See the <u>Human Rights</u> section for more information.

The anticipated changes in the market for our products also have implications for how we engage with local communities. The mobility needs of potential customers in emerging markets differ in some fundamental ways from those in the developed markets the auto industry has primarily served to date. Local community engagement is a key strategy Ford is using to learn about and understand how best to meet the needs of these critical and fast-growing markets. See the Mobility section for more information.

We work closely with the communities in which we operate to minimize negative impacts of our corporate restructuring.

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### Investing in Communities

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Ford has a long history of investing in the communities in which we operate by making charitable contributions to nonprofit organizations. Ford's commitment to supporting local communities remains unchanged, despite our business conditions. Indeed, even in difficult times, we believe it is important to continue these programs.

Ford delivers on this commitment through the Company's community relations arm, formally known as Ford Motor Company Fund and Community Services. This organization is responsible for the Company's philanthropy, community relations committees and volunteerism efforts.

Ford Motor Company Fund and Community Services is a not-for-profit corporation established in 1949. Made possible by Ford Motor Company profits, the organization makes contributions to qualified U.S. not-for-profit organizations that enhance and improve opportunities for those who live in the communities in which Ford operates. It supports organizations in three strategic areas: education, autorelated safety, and American heritage and legacy.

Outside of the Fund, Ford also makes direct corporate contributions to a variety of charitable organizations and causes.

In 2008, Ford contributed a total of \$49 million. Of that amount, \$33 million was in the form of grants awarded by Ford Motor Company Fund; the remainder was direct corporate giving. The total amount is less than in previous years, reflecting the challenging business conditions that affected the Company's core automotive business in 2008.

Increasingly, Ford is expanding abroad with its community relations. In 2008, Ford continued its partnership with the GlobalGiving Foundation, an organization that has worked with Ford Motor Company Fund to expand our giving to international communities affected by major disasters.

Ford provided immediate assistance to communities in need of clean water after Cyclone Nargis struck Myanmar, and provided assistance to children recovering emotionally from the effects of flooding in Tabasco, Mexico. Through the Ford GlobalGiving Web site, Ford employees were able to give and have their donations matched to help those affected by the earthquake in China's Sichuan Province. Ford's Asia Pacific Africa personnel, in cooperation with GlobalGiving and the Asia Injury Prevention Foundation, expanded Ford's Driving Skills for Life Program in Thailand, Vietnam, Indonesia and the Philippines. Also through the GlobalGiving Foundation, Ford Export Operations and Global Growth Initiatives supported the Ford Volunteer Corps Global Week of Caring through work with its international dealers.

The Mexican Center for Philanthropy has recognized Ford of Mexico as a Socially Responsible Company for seven consecutive years. The award is given to companies that encourage quality of life in the workplace, strong ethics, environmental care in its operations and close involvement in the community. Ford and its dealers were lauded for building 209 schools across Mexico and for working to protect endangered species, among other community-focused initiatives.

#### RELATED LINKS

In This Report:

Ford Motor Company Fund and Community Services

On Ford.com:

Ford Motor Company Fund and Community Services

**External Web Sites:** 

Ford GlobalGiving Portal



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### Ford Motor Company Fund and Community Services

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 The Ford Partnership for Advanced Studies (PAS) is Ford's flagship education program. PAS uses an academically rigorous curriculum to provide high school students with 21st-century learning experiences that are focused on real-world skills. The program relies on collaboration among high schools, community organizations, higher education institutions, government entities and businesses, and has been adopted by more than 400 sites across 27 states, reaching more than 40,000 students. The program's distinctions include the first-ever National Governors Association Public-Private Partnership Award for innovative educational programming, which it won in 2007.

- The Fund supports teen safe driving through its award-winning Driving Skills for Life program, a safedriving curriculum that has trained more than 337,000 students since 2003. Developed by Ford, the Governors Highway Safety Association and a panel of safety experts, the free program educates teens with a combination of ride-and-drive events, educational materials, customized in-school events and an interactive Web site. The program, which has received numerous awards, including the World Traffic Symposium Award, was launched internationally in 2008.
- Ford Motor Company Fund and Community Services continued its implementation of See Me Safe, a child passenger safety seat initiative that was developed in partnership with Meharry Medical College in Nashville, Tennessee. See Me Safe focuses on educating parents, caregivers, medical professionals, safety advocates and the media about the appropriate use of child passenger safety restraints. It also recognizes the important role that health care providers play, which is why the program relies on a supportive network of physicians, nurses, medical interns and pediatric trauma response teams. Launched in 2007, See Me Safe has distributed 750 car seats and reached 125 health care providers through its Prescription for Safety workshops.
- Corazón de mi Vida is a national bilingual initiative on child passenger safety developed by Ford Motor Company Fund and Community Services in partnership with the national Latino Children's Institute and the National Highway Traffic Safety Administration. Corazón de mi Vida, which continued its efforts in El Paso, Phoenix and San Antonio in 2008, focuses on informing Latino families, childcare providers and the Spanish-speaking community about the important role that safety seats and seat belts play in saving children's lives. Through continued support from Ford, more than 2,300 child safety seats have been distributed, and our safety messages have reached approximately 2 million
- In 2008, the Fund continued to support organizations and initiatives that preserve America's heritage, including the new Gettysburg Museum & Visitor Center, which opened in September. In addition, Ford Made in America, a consortium of small-budget orchestras that are performing a newly composed classical piece, premiered in Reno, Nevada. "Chasing Light..." by composer Joseph Schwantner, will be performed by 58 orchestras in all 50 states through 2010.
- Ford employees and Ford Motor Company Fund are major supporters of the United Way in the United States, giving more than \$9 million in 2008 to support numerous community-based social services
- Ford also has a long history of working with disabled American veterans. For example, as a major contributor to the Jesse Brown Memorial Youth Scholarship Program, Ford provides scholarships to students who volunteer at local Veteran's Administration (VA) medical centers. For 14 years, Ford has also been a sponsor of the National Disabled Veterans Winter Sports Clinic, which brings hundreds of disabled veterans to the mountains of Colorado to participate in adaptive sports, including skiing, snowmobiling, sled hockey and rock wall climbing. In addition, since 1996, Ford has donated 132



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vehicles to the Disabled American Veterans, which in turn gives them to VA hospitals across the country.

Ford also supports a wide variety of organizations through corporate contributions and sponsorships. Highlights include the following.

- For more than 20 years, Ford has been involved in helping find a cure for juvenile diabetes. See the juvenile diabetes case study for more information.
- Ford has also been a long-time supporter in the fight against breast cancer. Since 1995, Ford Division has been a National Series Sponsor of the <u>Susan G. Komen Race for the Cure®</u> series. During that time, Ford has donated more than \$105 million to the cause in donations and in-kind gifts. In 2006, Ford launched a new initiative in its fight against breast cancer called Warriors in Pink − Powered by Ford. The initiative raises funds for Susan G. Komen for the Cure through the sale of specially designed clothing and accessories at <a href="https://www.fordcares.com">www.fordcares.com</a>. In 2008, Ford Warriors in Pink sold more than \$1.8 million in apparel and accessories, with 100 percent of the net proceeds directly benefiting Komen for the Cure In addition to providing financial support, the Company encourages employees and dealers to get involved. To date, more than 75,000 Ford employees and thousands of dealers have participated in Races across the United States.
- In 2008, Ford volunteers raised \$395,000 for the <u>March of Dimes</u> and \$70,000 for the <u>National Multiple Sclerosis Society</u>.

Report Home > Society > Community > Investing in Communities > Ford Motor Company Fund and Community Services

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### Ford Volunteer Corps

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In addition to the financial contributions made by Ford and Ford Motor Company Fund and Community Services to hundreds of organizations globally in 2008, thousands of Ford employees and retirees volunteered to help build stronger communities around the world.

Volunteerism has been an integral part of Ford Motor Company since its creation in 1903. The Company's many volunteer efforts were unified in 2005 when Bill Ford, then chairman and CEO, founded the Ford Volunteer Corps. Ford volunteers immediately responded to the tsunami that devastated Southeast Asia and to the two hurricanes that hit the U.S. Gulf Coast.

Even in difficult economic times, we believe it is important to help the communities in which our employees work and live. Volunteer efforts help to build the morale of our employees. There's a strong business case for volunteerism, too: Our volunteer projects help to strengthen the name of Ford and enhance purchase consideration for future buyers.

The Ford Volunteer Corps comprises salaried employees and retirees across six continents who work to strengthen their communities. Ford Motor Company offers its U.S. salaried employees two workdays per year to volunteer in the community. Employees form MODEL Teams and volunteer to help nonprofit organizations. Last year, more than 18,000 Ford volunteers in the U.S. contributed approximately 100,000 hours of volunteer time to their communities, or the equivalent of \$2 million in in-kind corporate contributions. Similar Ford volunteer efforts are replicated around the world where Ford employees live and work.

In 2008, Ford held four "Accelerated Action Days" - concentrated one-day efforts to meet critical needs identified by our agency partners. In March, we focused on the needs of children. In May, we zeroed in on the environment and included Ford's annual Rouge River cleanup in Southeast Michigan. In September, the theme was community building, with projects centered on safety and shelter. And in November, we focused on hunger relief.

Software designed and launched by the Ford Volunteer Corps aligns our volunteer projects with the needs of nonprofits across the United States. Using this system, employees can go online to sign up for volunteer projects based on their interests and availability. In prior years, our volunteers would essentially tell the nonprofits when we would provide hands-on assistance, without fully assessing when would be the best time for the nonprofits. Now, our non-profit partners can tell us when they need help and what manner of assistance they need.

In 2008, Ford held its third annual Global Week of Caring, a week-long series of volunteer events around the world, coordinated by the Ford Volunteer Corps. During one week in early September, about 9,000 Ford employees on six continents donated 24,000 hours of their time to approximately 124 projects. That's the equivalent of about \$480,000 of in-kind corporate contributions.

During the 2008 Global Week of Caring, participants built homes, renovated shelters and schools and fed the hungry, to name just some of the efforts. This was the first time that Ford retirees could participate side-by-side with current employees on volunteer projects.

#### RELATED LINKS

On Ford.com: Ford Volunteer Corps Global Caring Week

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#### Data

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#### Engagement and Community

- Employee Satisfaction, Pulse Survey
- Overall Dealer Attitude
- Employment by Business Unit
- Total Purchases from Minority-owned Businesses United States
- Total Purchases from Women-owned Businesses United States
- U.S. Employment of Minority-group Personnel and Women at Year-end
- Charitable Contributions
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#### Workplace Safety

- Global Lost-time Case Rate (per 100 Employees)
- Lost-time Case Rate by Region (per 100 Employees)
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#### Vehicle Safety

- Percent of Nameplates Achieving 3-star or Better in Rollover NCAP
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- IIHS Frontal Offset Percent of Nameplates Achieving "Good" Rating
- Number of IIHS Top Safety Picks by Manufacturer
- Euro NCAP Results 2006–8
- U.S. Safety Recalls

### **Engagement and Community**

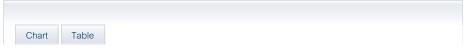






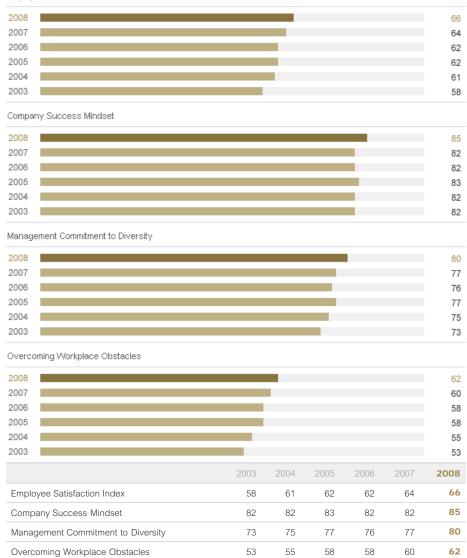


### A. Employee Satisfaction, Pulse Survey



Percent satisfied

#### Employee Satisfaction Index



see notes to the data

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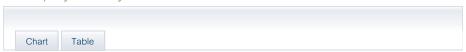
#### B. Overall Dealer Attitude

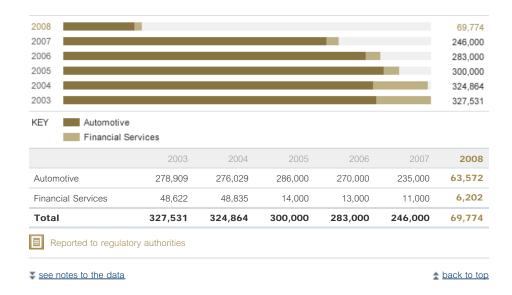
Relative ranking on a scale of 1-100 percent

	2003	2004	2005	2006	2007	2008
Ford (summer/winter score)	67/64	70/69	70/72	64/64	69/64	68/69
Lincoln Mercury (summer/winter score)	56/50	64/61	64/64	62/64	66/64	64/66
Industry (summer/winter score)	72/72	73/74	74/74	70/71	72/70	72/73

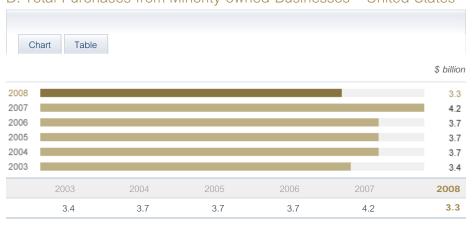
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### C. Employment by Business Unit





### D. Total Purchases from Minority-owned Businesses – United States

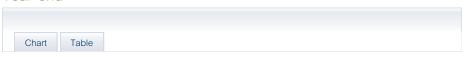


### E. Total Purchases from Women-owned Businesses – United States

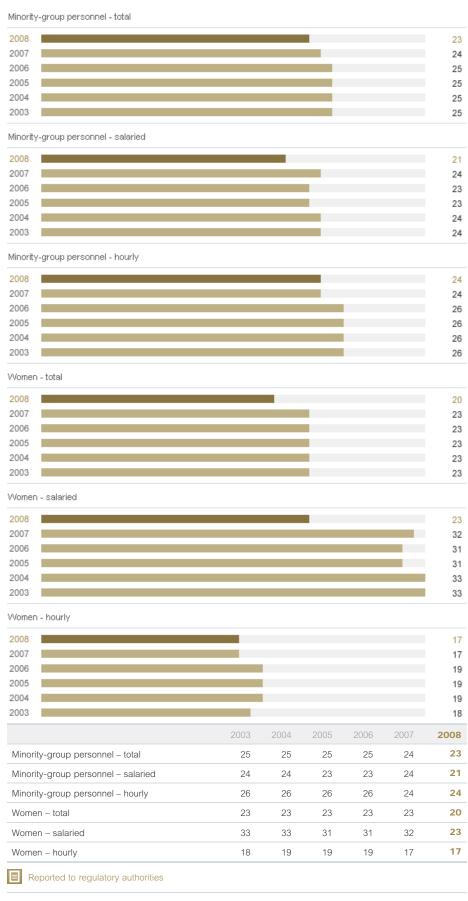
see notes to the data



# F. U.S. Employment of Minority-group Personnel and Women at Year-end



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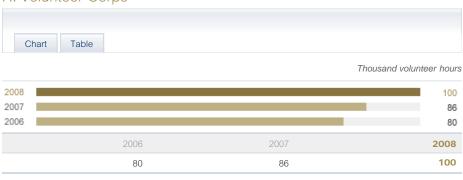
see notes to the data

see notes to the data

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# H. Volunteer Corps



# I. Working Conditions Assessment Status for Supply Chain

Americas	Asia Pacific and Africa	Europe	Global Total
11.4	11.1	13.5	11.4
97	284	37	418
36	130	1	167
	Asia Pacific		
Americas	and Africa	Europe	Global Total
20	15	7	42
583	471	171	1,225
758	548	222	1,528
			Global Total
ed			6,239
			81,963
	11.4 97 36 Americas 20 583	Americas         and Africa           11.4         11.1           97         284           36         130           Asia Pacific and Africa           20         15           583         471           758         548	Americas         and Africa         Europe           11.4         11.1         13.5           97         284         37           36         130         1           Asia Pacific and Africa         Europe           20         15         7           583         471         171           758         548         222

Americas: Brazil, Colombia, Mexico, Venezuela and Central America (Dominican Republic, Honduras,

Nicaragua)

Asia and Africa: China, India, Malaysia, South Africa, Taiwan, Thailand

Europe: Romania, Russia, Turkey

#### Notes to the Data

#### ♣ Chart A

In 2006, the Pulse survey was changed to incorporate new dimensions. While there was no change to the number or content of the existing 55 core questions asked on Pulse, they were realigned into eight revised dimensions. These changes were made because the revised dimensions are better focused on current business priorities and can provide a framework for more focused feedback and action planning. In addition, the revised Employee Satisfaction Index can be benchmarked externally; none of the prior 13 dimensions could be benchmarked outside the Company.

#### ★ Chart B

Overall dealer attitude is measured by the National Automobile Dealer Association (NADA) Dealer Attitude Survey. Scores are for the summer and winter respectively of the year noted. Due to a data compilation error, we incorrectly reported the 2007 NADA scores in our 2007/08 Sustainability Report. The 2007 numbers are presented accurately in this year's tables.

#### ★ Chart C

The approximate number of individuals employed by us and our consolidated entities (including entities we do not control) as of year end. The decrease in employment levels primarily reflects implementation of our personnel-reduction programs in North America.

#### ★ Chart D

From 2003 to 2007, purchases from non-minority, women-owned businesses were included within total purchases from all minority suppliers. Beginning in 2008, we are providing separate data for women-owned businesses, which accounts in part for the reduced amount of purchases in 2008.

#### ★ Chart E

From 2003 to 2007, purchases from non-minority, women-owned businesses were included within total purchases from all minority suppliers. In 2008, we began breaking out separate data for purchases from non-minority, women-owned businesses.

#### ★ Chart G

Ford Fund and corporate contributions

See the **Community** section for a description of our charitable contributions.

#### ★ Chart H

The Ford Volunteer Corps was founded in 2005, and 2006 is the first year data are available. However, volunteerism and community service have long been a part of Ford's culture, and these efforts were formalized in 1997 with the creation of the 16-hour Community Service Program.

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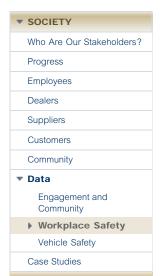
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# Workplace Safety



# **DATA ON THIS PAGE**

- A. \$\ Global Lost-time Case Rate (per 100 Employees)
- B. Tost-time Case Rate by Region (per 100 Employees)

View all data on this page as charts | tables

# Print report

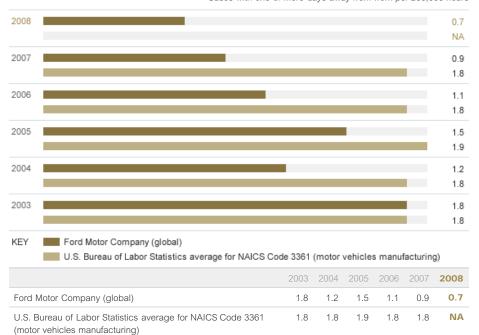
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- C. \$\Figstyriangletarrow\$ Global Severity Rate (per 100 Employees)
- D. Severity Rate by Region (per 100 Employees)
- E. Workplace Health and Safety Violations
- F. . Global Fatalities

A. Global Lost-time Case Rate (per 100 Employees)



Cases with one or more days away from work per 200,000 hours

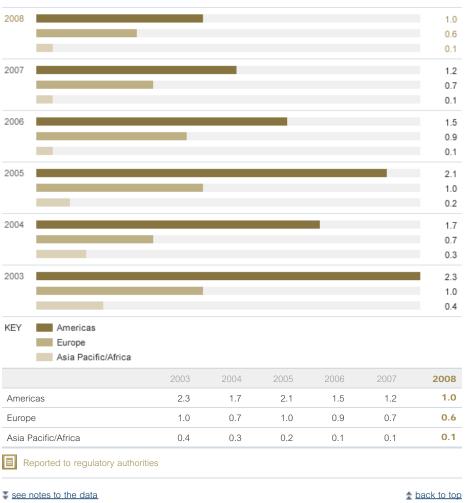


## see notes to the data

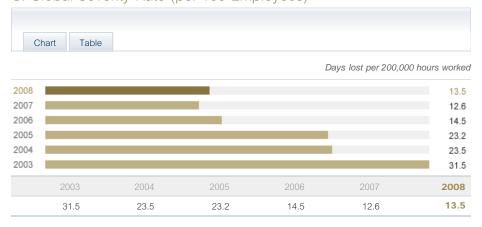
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# B. Lost-time Case Rate by Region (per 100 Employees)

Chart Table

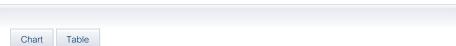


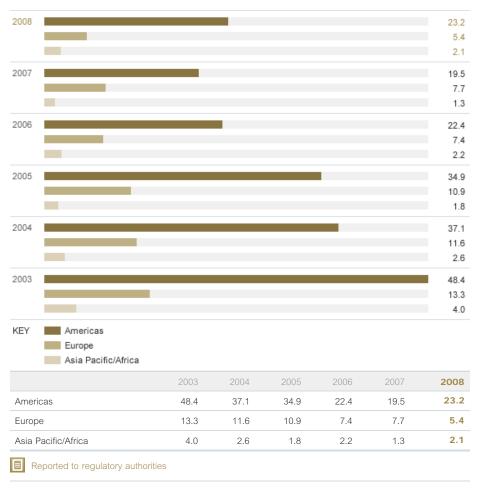
# C. Global Severity Rate (per 100 Employees)



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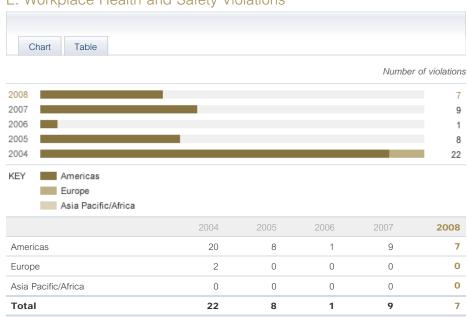
# D. Severity Rate by Region (per 100 Employees)





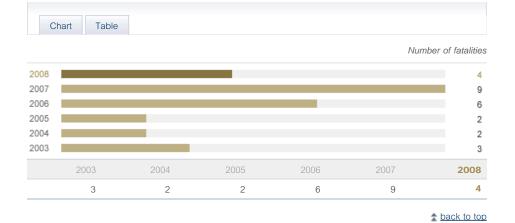
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# E. Workplace Health and Safety Violations



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# F. Global Fatalities



# Notes to the Data

#### ★ Chart A

2007 are the most recent Bureau of Labor statistics data available.

## ★ Chart B

European data were amended for 2005.

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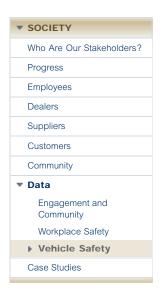
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# Vehicle Safety

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Print report



# DATA ON THIS PAGE A. Percent of Nameplates Achieving 3-star or Better in Rollover NCAP B. Percent of Nameplates Achieving 4-star/4-star Frontal NCAP or Better C. Percent of Nameplates Achieving 5-star/5-star Frontal NCAP D. Percent of Nameplates Achieving 4-star/4-star or Better in LINCAP E. Percent of Nameplates Achieving 5-star/5-star or Better LINCAP F. IIHS Frontal Offset – Percent of Nameplates Achieving "Good" Rating G. Number of IIHS Top Safety Picks by Manufacturer H. Euro NCAP Results 2006–8 I. U.S. Safety Recalls View all data on this page as charts | tables

#### **RELATED LINKS**

Sustainability Report 2008/9

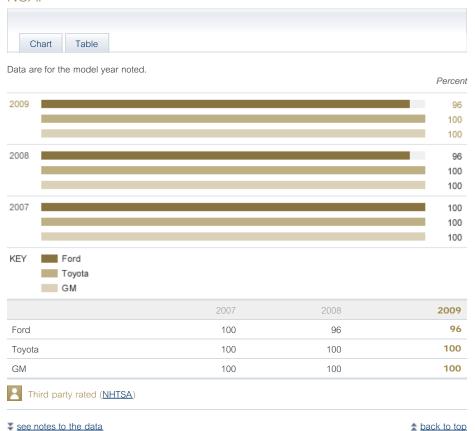
Complete ratings data by vehicle can be found on the following Web sites:

Insurance Institute for Highway Safety

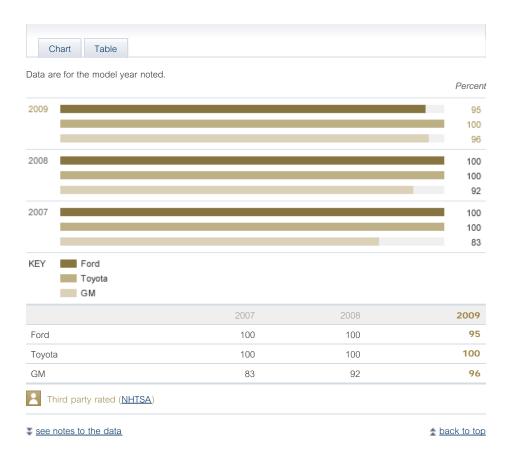
NHTSA's New Car Assessment Program

European New Car Assessment Program

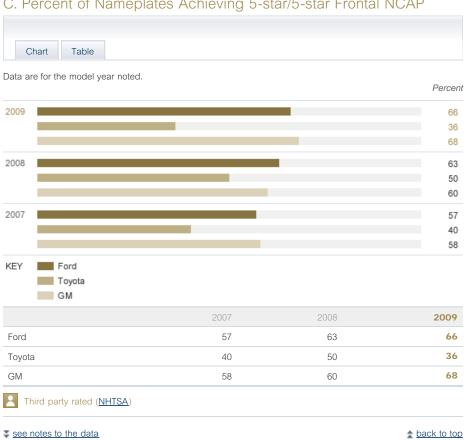
# A. Percent of Nameplates Achieving 3-star or Better in Rollover NCAP



# B. Percent of Nameplates Achieving 4-star/4-star Frontal NCAP or Better



# C. Percent of Nameplates Achieving 5-star/5-star Frontal NCAP

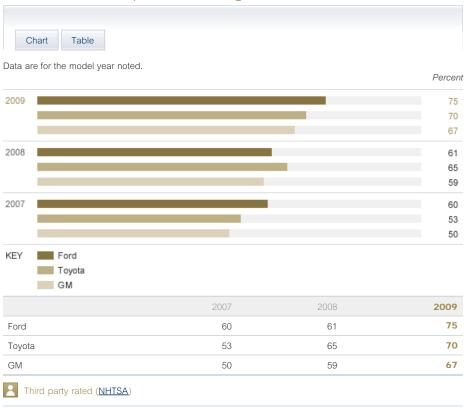


## LINCAP

see notes to the data

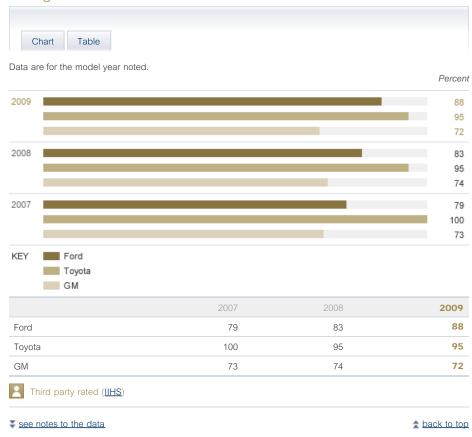


# E. Percent of Nameplates Achieving 5-star/5-star or Better LINCAP



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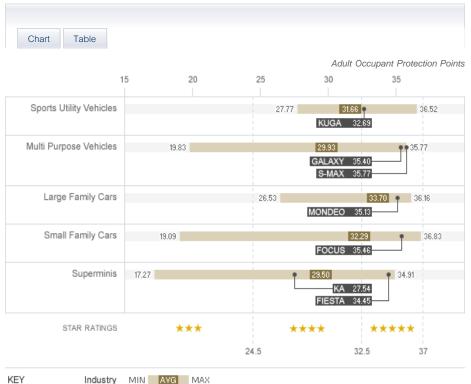
# F. IIHS Frontal Offset – Percent of Nameplates Achieving "Good" Rating



# G. Number of IIHS Top Safety Picks by Manufacturer



# H. Euro NCAP Results 2006-8



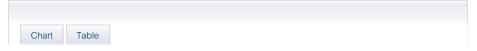
Ford	•	i i i i i i i i i i i i i i i i i i i		
	Industry Low	Industry High	Industry Average	Ford results
Sports Utility Vehicles	27.77	36.52	31.66	Ford Kuga: 32.69
Multi Purpose Vehicles	19.93	35.77	29.93	Ford Galaxy: 35.40, Ford S-MAX: 35.77
Large Family Cars	26.53	36.16	33.7	Ford Mondeo: 35.13
Small Family Cars	19.09	36.83	32.29	Ford Focus: 35.46
Superminis	17.27	34.91	29.50	Ford Ka: 27.54, Ford Fiesta: 34.45

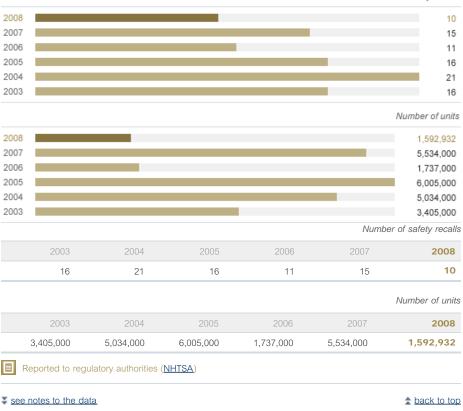
Third party rated (Euro NCAP)

see notes to the data

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# I. U.S. Safety Recalls





#### Notes to the Data

#### <u>↑ Chart A</u>, <u>↑ Chart B</u>, <u>↑ Chart C</u>, <u>↑ Chart D</u> and <u>↑ Chart E</u>

#### U.S. New Car Assessment Program

Government star ratings are part of the New Car Assessment Program (NCAP) of the U.S. National Highway Traffic Safety Administration (NHTSA). In NHTSA's frontal crash rating tests, vehicles with belted front-seat test dummies are crashed into a fixed barrier at 35 mph, which is equivalent to a head-on collision between two similar vehicles, each moving at 35 mph. Since the test is designed to reflect a crash between two similar vehicles, one can meaningfully compare vehicles from the same weight class (within +/- 250 lbs) when looking at frontal crash test ratings.

Instruments measure the force of the impact to each test dummy's head, chest and legs. NHTSA uses the readings from these instruments to estimate the chance that a real occupant would sustain a serious injury in the tested frontal crash. A serious injury is defined as one that requires immediate hospitalization and may be lifethreatening.

For side crash ratings, belted test dummies are placed in the driver seat and rear passenger seat (driver's side). The side crash rating is designed to represent an intersection-type collision with a 3,015 lb barrier moving at 38.5 mph into a standing vehicle. The moving barrier is covered with material that has "give" to replicate the front of a vehicle. Since all rated vehicles are impacted by the same size barrier, it is possible to compare all vehicles with each other when looking at side crash protection ratings. Instruments measure the force of impact to each dummy's head, neck, chest and pelvis. Side crash star ratings indicate the chance of a serious chest injury for the driver, front seat passenger and the rear seat passenger (first and second row occupants).

What do the stars mean?	Chance of serious injury		
	Frontal Crash Rating	Side Crash Rating	
****	10 percent or less	5 percent or less	
***	11-20 percent	6-10 percent	

ercent 21-35 percent 11-20 percent 36-45 percent 21-25 percent 46 percent or greater 26 percent or greater

For more information, go to www.nhtsa.dot.gov. Data are for the model year noted.

Ford believes the NHTSA rollover resistance metric is flawed as it does not include a measure of the benefits of electronic stability control systems (ESC). NHTSA's studies have shown the benefits of ESC systems and their potential to improve vehicle stability. Ford believes ESC equipped vehicles should be credited in the resistance to rollover NCAP.

#### Chart F

In the 40 mph offset test of the Insurance Institute for Highway Safety (IIHS), 40 percent of the total width of a vehicle strikes a barrier on the driver's side. The forces in the test are similar to those involved in a frontal offset crash between two vehicles of the same weight, each going just less than 40 mph. Test results can be compared only among vehicles of similar weight. Like full-width crash test results, the results of offset tests cannot be used to compare vehicle performance across weight classes.

Based on a vehicle's performance in three areas evaluated in the frontal offset crash tested – structural performance, injury measures and restraints/dummy kinematics – the IIHS assigns a vehicle an overall crashworthiness measure of Good, Acceptable, Marginal or Poor. For more information, go to <a href="https://www.iihs.org">www.iihs.org</a>.

#### ★ Chart G

To earn a Top Safety Pick from the Insurance Institute for Highway Safety (IIHS), a vehicle must receive a rating of "good" in offset frontal impact, side impact and rear impact evaluations, and offer electronic stability control. Top Safety Picks are the best vehicle choices for safety within size categories. 2005 (2006 Model Year) was the first year the IIHS issued Top Safety Picks.

#### ★ Chart H

Adult Occupant ratings range from 0 to 5 stars. 3 star = up to 24.5, 4 star = 24.5 to 32.5, 5 star = 32.5 and above; current maximum = 37 points. For additional information, go to  $\underline{\text{www.euroncap.com}}$ .

#### \* Chart I

Recalls are by calendar year rather than model year. A single recall may affect several vehicle lines and/or several model years. The same vehicle may have multiple recalls. (Source: U.S. National Highway Traffic Safety Administration.)

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## **HIV/AIDS**

Addressing the HIV/AIDS pandemic is both a moral and a business imperative. In countries where the disease is prevalent or spreading, and where people lack access to the necessary health care, HIV/AIDS poses threats to our workforce and the communities in which we operate.

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# Ford and Juvenile Diabetes

Each year, more than 15,000 children in the U.S. are diagnosed with Type 1 diabetes. The disease, which can strike suddenly, has no cure. For more than 25 years, Ford has been involved in helping to find a cure.

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# HIV/AIDS



Addressing the HIV/AIDS pandemic is both a moral and a business imperative. In countries where the disease is prevalent or spreading, and where people lack access to the necessary health care, HIV/AIDS poses threats to our workforce and the communities in which we operate.

In 1999, we began to develop a strategy for a comprehensive approach to HIV/AIDS in our operations in South Africa, a country where more than 5 million people are infected with the virus. Building on that experience, we adopted a global HIV/AIDS policy in 2003. Its key principles are nondiscrimination in hiring and employment; a safe and healthy work environment; confidentiality and privacy; prevention; and care and support. Nearly a decade later, the South African program continues to be strong, with peer education groups, HIV/AIDS booklets for employees and their families, and employee volunteer initiatives to help people living with the disease.

To provide further guidance in implementing the policy, we have also developed HIV/AIDS Program Guidelines. An important element of our approach is that each country operation implementing the program assesses its local needs, often with the help of local nongovernmental organizations or other experts, and tailors a culturally appropriate program based on the policy and guidance. Ford's Executive Physician, International Clinical Operations, reviews each country's program plans.

In early 2004, Ford launched an HIV/AIDS Workplace and Community Initiative, expanding our programs to additional countries, including China, India, Thailand and Russia. We selected these countries based on the prevalence of infection, its rate of spread, our business presence and our market opportunity.

Ford's China, India and Thailand locations began implementing the Initiative, and by 2006 had completed the employee training process and were offering voluntary counseling and testing onsite. Educational materials and condoms are distributed to the workforce in these locations.

In Russia, Ford has started its HIV/AIDS Initiative and is making progress on delivering training materials by plant medical personnel. Voluntary testing is provided by governmental clinics upon application.

During 2008, Ford of Brazil delivered HIV/AIDS awareness training to 50 percent of its workforce in all manufacturing locations. Ford of Brazil planned to train a full 100 percent of its workforce by the end of 2009, and continues to provide educational material through its wellness program "Viva Bem." Aligned with a broad governmental campaign, Viva Bern has also included free condom distribution to employees and voluntary counseling and testing during the year or during the promotional campaign every 12 months.

Ford of Mexico is participating in an innovative national partnership model - known by its Spanish acronym CONAES - that involves the governments of the United States (USAID) and Mexico (CENSIDA), a group of multinational companies and NGOs. Ford of Mexico is a Charter member of CONAES and currently a member of the board of directors. In 2006, Ford of Mexico received an "HIV/AIDS Workplace Certification" supported by CENSIDA. In addition, Ford leads one of CONAES's three committees (on Programs and Communication). This committee seeks to share best practices among companies, develop surveys, and get and distribute information about HIV/AIDS.

Ford of Argentina began HIV/AIDS awareness training for peer educators in late 2008, and planned to train all of its workforce during 2009 and provide voluntary counseling and testing. And Ford of Venezuela, which recently issued an HIV/AIDS policy statement, planned to perform voluntary counseling, testing and free condom distribution to employees.

Ford was the first automaker to issue a detailed report on the effects of HIV/AIDS on the Company using the guidelines of the Global Reporting Initiative. We continue to review our approach and ensure we are addressing the most important public health priorities in each of the different communities in which we operate.



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## Ford and Juvenile Diabetes

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Each year, more than 15,000 children in the U.S. are diagnosed with Type 1 diabetes. That's 40 children a day. The disease, which can strike suddenly, has no cure.

While insulin can help manage the disease, it does not prevent devastating complications such as kidney failure, blindness, nerve damage, amputations, heart attack, stroke or complications during pregnancies.

For more than 25 years, Ford has been involved in helping to find a cure through our support of the Juvenile Diabetes Research Foundation (JDRF). In 1983, Ford hosted a JDRF fundraising walk in Dearborn. In 1998, the grassroots employee initiative now known as the Ford Global Walk Team began, with Edsel B. Ford II as the corporate team chair. The event has grown dramatically over the last decade. Since 2002, Ford has been the JDRF's largest corporate - and only international - sponsor.

Ford volunteers donate significant time to leverage the Company's financial support of the JDRF. In 2008, an estimated 15,000 Ford employees, retirees, families and friends, in 10 countries and across three continents, participated in walks and held book sales, silent auctions and raffles to raise money for diabetes research. Together with support from national partner companies, they raised more than \$3.7 million – a new record – bringing the total amount raised by Ford volunteers to more than \$27 million since 1998.

Ford is proud to have been presented with the JDRF Presidents Award for seven consecutive years, earning recognition as the Top Corporate Sponsor in the world.

The JDRF is the leading charitable funder and advocate for juvenile diabetes research. Since its founding in 1970, the JDRF has awarded more than \$1.3 billion to diabetes research, including more than \$156 million in fiscal year 2008.