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# SustainAbility™

## Report Benchmark Feedback for Ford Sustainability Report 2007/8

### September 2008

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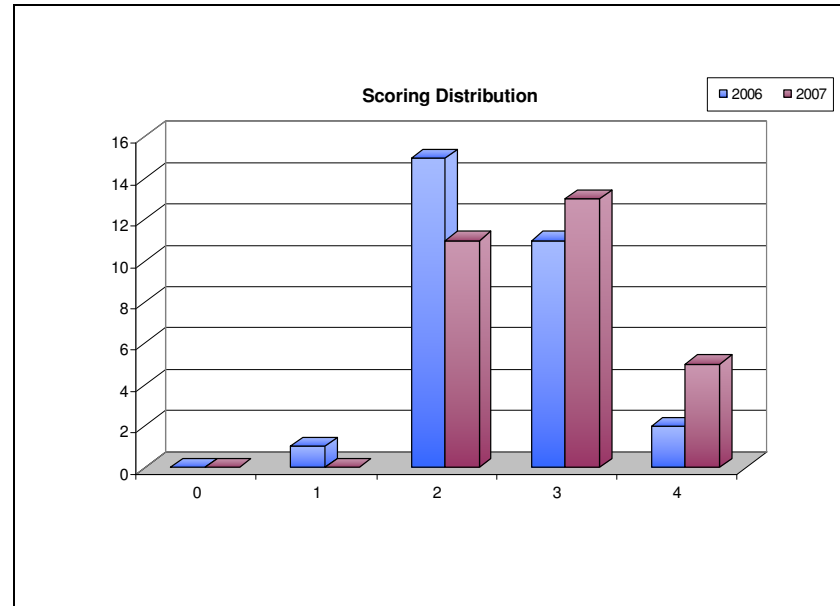
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## Benchmark Summary Statistics

The following are summary statistics for the benchmark of Ford's Sustainability Report 2007/8.

	2006/7	2007/8
<b>Total Score (%)</b>	62%	<b>70%</b>
<b>Section Analysis</b>		
Governance and Strategy	68%	<b>82%</b>
Management	58%	<b>61%</b>
Presentation of Performance	60%	<b>65%</b>
Accessibility and Assurance	56%	<b>63%</b>



# 1 Governance and Strategy

This section is designed to assess how well a company explains its activities and their associated economic, environmental and social impacts, the governance of sustainable development performance and the integration of sustainable development vision and business strategy.

		2007 Score	2006 Score	Page	Strengths	Opportunities for Improvement
1.1	Company and Industry Profile	4	4	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/operations-products">http://www.ford.com/microsites/sustainability-report-2007-08/operations-products</a>            and;  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/operations-value">http://www.ford.com/microsites/sustainability-report-2007-08/operations-value</a>            Report:            2-5 + throughout the report</p>	<ul style="list-style-type: none"> <li>– Ford’s website includes extensive detail on the wide range of products and services, including brief historical context of the different brands in the group.</li> <li>– A map clearly presents the geographical scope of Ford’s manufacturing facilities, including extensive detail on each and every plant; number of employees, plant size, products etc.</li> <li>– The section “Our Value Chain and its impacts”, presenting principal actors and related sustainable development impacts to each and every link/step in the value chain, is commendable.</li> <li>– In addition, the printed report provides useful external context, making references to the broader industry throughout the report, and discusses the future business plans in a sustainable development context.</li> </ul>	<ul style="list-style-type: none"> <li>– On the website, the map functions only as a navigation tool to find lists of plant details. In future versions, it would be even more ideal if plant locations and relevant information could be shown on the map itself.</li> </ul>
1.2	Top Management Statement	4	3	Report: 2-5, 44	<ul style="list-style-type: none"> <li>– The website and the report provide three letters; from the Executive Chairman, the CEO and the Group Vice President of Sustainability.</li> <li>– The CEO letter and the Executive Chairman’s letter provide thorough industrial context. In addition, the letters discuss broader trends, including the</li> </ul>	

					<p>challenge of climate change, making references to the IPCC report and the Nobel Peace Prize.</p> <ul style="list-style-type: none"> <li>- The CEO letter and the Executive Chairman's letter include frank discussions of setbacks and challenges, and recognize the uncertainty of the future of the automobile industry.</li> <li>- Finally, the three letters are personal, very forward looking and clearly demonstrate the top management's commitment to put sustainability in the forefront the coming years.</li> </ul>	
1.3	Issue Identification and Prioritization	4	3	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/issues-materiality">http://www.ford.com/microsites/sustainability-report-2007-08/issues-materiality</a></p> <p>Report: 6-7</p>	<ul style="list-style-type: none"> <li>- Overall Ford's report and website include a strong description of issue identification, giving the reader a comprehensive and transparent picture of the full materiality analysis process.</li> <li>- The report includes a useful definition of "materiality" in a sustainability reporting context. A materiality matrix clearly shows how the different issues have been rated according to different criteria.</li> <li>- In addition, Ford gives a background perspective of methods used in the analysis, and also acknowledges shortcomings in the process, highlighting the lost of nuances while integrating the issues in a two-dimensional matrix.</li> </ul>	
1.4	Values, Principles and Policies for Sustainable Development Accountability	3	3	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-standards-policy">http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-standards-policy</a></p>	<ul style="list-style-type: none"> <li>- The Code of Conduct Handbook - a compilation of the most important policies directives and standards - are briefly described in the report and available on the website.</li> <li>- Key policy documents are presented in the governance chart (p 9) on both board</li> </ul>	<ul style="list-style-type: none"> <li>- While the Code of Conduct Handbook provides clearly presented and structured information on key policies, it is still hard to get an understanding of how the policies are applied in practice, as the document is intended for employee use. Ford could illustrate examples or include case studies showing the practical</li> </ul>

				Report: 8-9	<p>level and sustainability management level.</p> <ul style="list-style-type: none"> <li>- A wide range of policy letters and directives supporting the company's sustainable development agenda are described on the website, including the code of basic working conditions and the policy letter on environment.</li> </ul>	<p>implementation of the policies.</p> <ul style="list-style-type: none"> <li>- In addition, it was hard to find the relevant links to policies and directives on the website. Key policies (beyond the handbook) could be presented in a more coherent way.</li> <li>- One innovative idea might be to make it possible to click links to relevant documents and descriptions directly from the Governance and Management Structures graphic on the website.</li> </ul>
1.5	Sustainable Development Vision and Business Strategy	3	2	Report: 2, 4, 10-13, 23	<ul style="list-style-type: none"> <li>- The Top Management letters include forward looking statements and discussions, also acknowledging the difficulty in predicting the future of the automobile industry (p 2) referring to technological pathways.</li> <li>- The Blueprint for Sustainability, a CO2 strategy for Ford's products outlining future plans in a near, mid and long-term perspective, demonstrates how sustainability is integrated in the company's long term business strategy.</li> <li>- The mobility section discusses how emerging markets represent future priority areas, and discusses the current and future trends of urbanization, congestion, climate change, etc.</li> </ul>	<p>While it is evident that Ford strongly focuses on Mobility through a wide range of partnerships and research initiatives, the picture of how and to what extent Ford plans to develop its business in this area remains unclear. In addition, the discussion of future trends in the mobility section is strong (p 23), but Ford could go even further in illustrating future scenarios and how Ford would adapt to those.</p> <ul style="list-style-type: none"> <li>- Finally, a discussion of how Ford plans to meet an increasing demand for cleaner technology in the developed world would improve the report. At a minimum, the next report should explicitly discuss how and when the product CO2 strategy will be expanded to include markets other than the US and EU.</li> </ul>
1.6	The Business Case	2	2	Website: <a href="http://www.ford.com/microsites/sustainability-report-2007-08/environment-facilities-operational">http://www.ford.com/microsites/sustainability-report-2007-08/environment-facilities-operational</a>	<ul style="list-style-type: none"> <li>- The Top Management letters emphasize how strong sustainable development performance is crucial to future competitiveness. The report discusses how a safe workplace upholding human rights can decrease quality problems and health care costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Future reporting could go further in describing, discussing and ideally quantifying the business case in addressing sustainable development issues. For example, how does Ford measure and understand the impact of sustainability issues on specific aspects</li> </ul>

				<p>Report: 2, 4, 25, 28, 44</p>	<ul style="list-style-type: none"> <li>- As in last year's web based report, Ford presents cost savings generated from energy reduction. The "three wet" technology that allows paint to dry faster and reduces CO2 emissions is described and cost savings in dollars quantified.</li> <li>- The company's focus on finding sustainable solutions and meeting mobility needs in emerging markets (Mobility section) is a good example of sustainable business growth opportunities.</li> <li>- The report acknowledges that the shift away from light trucks in North America has affected market share and profitability.</li> </ul>	<p>of business performance such as brand value, market share, competitive advantage and/or performance of specific product lines. How does Ford measure the size of the potential market opportunity for providing sustainable solutions in emerging economies? How has business value generated so far strengthened Ford's commitment to strong sustainable development performance?</p>
1.7	Sustainable Development Implementation Challenges	3	2	<p>Website: <a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-suppliers">http://www.ford.com/microsites/sustainability-report-2007-08/society-suppliers</a></p> <p>Report: 11, 13, 20-21, 43</p>	<ul style="list-style-type: none"> <li>- The report includes a strong discussion of health care, describing the new approach aiming at reducing costs.</li> <li>- Ford highlights how the shift away from light trucks in North America has affected market share and profitability.</li> <li>- The report includes a strong discussion of the challenges associated with required reductions in GHG emissions and how Ford seeks to adapt its vehicle technology to meet these requirements. (p 13, 20-21)</li> <li>- Measures taken to meet challenges associated with suppliers while achieving lower costs and continuously improving quality are discussed. The Aligned Business Framework, introduced to meet these challenges, is described.</li> </ul>	<ul style="list-style-type: none"> <li>- The report would benefit from further addressing implementation challenges across all material issues. Given Ford's growing focus on emerging markets, the challenges in offering low-cost products with high safety and environmental standards could be discussed as well as measures taken and plans to meet these challenges.</li> <li>- In addition, challenges associated with alternative fuel (referenced as the classic "chicken and egg" problem on p 16) could be further discussed. What is the company doing to address this challenge? Ford could additional detail on current collaborations with fuel producers across geographical regions. How are the pilot projects (referenced on p 16) designed and implemented?</li> </ul>

1.8	Governance Responsibilities and Structures	3	3	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability">http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability</a></p> <p>Report:  8-9, 12</p>	<ul style="list-style-type: none"> <li>- The report includes extensive detail on the corporate governance structures and sustainability management structures. An organizational chart clearly presents board-level governance, sustainability management and key business processes, as well as main policy documents. The climate change section also describes aspects of the Sustainable Mobility Governance system in practice.</li> <li>- The Ford Transformation Advisory Council, helping to shape the company's thinking on future global trends, is noteworthy and demonstrates the company's commitments to continuously develop its business to meet future trends and needs.</li> </ul>	<ul style="list-style-type: none"> <li>- Reporting could provide more explicit discussion of how sustainability governance has influenced (as well as accountability for) strategy and decision making on sustainability issues other than climate change and mobility.</li> </ul>
1.9	Risk Management	2	1	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/issues-climate-risks">http://www.ford.com/microsites/sustainability-report-2007-08/issues-climate-risks</a></p> <p>and;  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/issues-mobility-challenges">http://www.ford.com/microsites/sustainability-report-2007-08/issues-mobility-challenges</a></p> <p>and;  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/issues-humanrights-challenges">http://www.ford.com/microsites/sustainability-report-2007-08/issues-humanrights-challenges</a></p>	<ul style="list-style-type: none"> <li>- Both the website and the report discuss the challenges related to several of the most material issues identified: climate change, mobility, human rights, and vehicle safety. In several cases, the discussion of challenges includes some mention of business risk – for example, for climate change, business risks identified include continuing declines in sales and profitability due to unstable oil prices and energy security concerns, financial impacts from regulation of GHG emissions and threats to continued access to capital due to rising investor concern about climate risk, as well as physical risks related to production interruption. Each section of the report describes measures taken to manage and address these challenges.</li> <li>- The description of the materiality process describes analysis based partly on</li> </ul>	<ul style="list-style-type: none"> <li>- The report has yet to discuss how Ford integrates the most material sustainable development issues into business processes and planning that manage company-wide risks.</li> <li>- In future reporting, the discussion of specific business risks could be more substantial, including efforts to quantify the potential financial, operational, and/or reputational impacts that these issues present.</li> <li>- The discussion of management and governance systems could include more specific information on risk management processes and accountability. For example, is risk management formally part of the Special Attention Review, and/or are risks systematically identified and tracked elsewhere in the organization (and are sustainable development risks tracked alongside and/or in the same way</li> </ul>



				Report: 11, 23, 28, 37	potential impact of issues on the company, which presumably includes some evaluation of business risks.	as other risks)?
1.10	Meeting Tomorrow's Needs	4	3	Report: 2, 4, 13-16, 20, 25-27, 39-41	<ul style="list-style-type: none"> <li>- Overall, Ford demonstrates a strong commitment to continuously develop its business in order to meet tomorrow's needs and remain competitive in a changing market. The company views new business opportunities in challenges such as climate change and urbanization.</li> <li>- The Blueprint for Sustainability shows how fuel-saving technologies are incorporated in the product development plan.</li> <li>- Product development, research and initiatives in the areas of climate change, vehicle safety and mobility are particularly strong, highlighting partnerships and investments in R&amp;D. The case study on mobility solutions in Cape Town is noteworthy, giving the reader further insight and understanding of the issue and the opportunity.</li> <li>- Ford's Greener Miles program and partnership with TerraPass is a good example of how a new innovation generates improved sustainable development performance (GHG emission reductions stated).</li> </ul>	
1.11	Customer Influence and Market Shaping	4	4	Website; <a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-customers">http://www.ford.com/microsites/sustainability-report-2007-08/society-customers</a>  and;	<ul style="list-style-type: none"> <li>- Ford demonstrates a strong commitment and a sense of responsibility to communicate safety issues and climate change to its customers. The report highlights a wide range of initiatives, tools, programs and communication channels put in place to influence customers on above mentioned issues.</li> </ul>	

				<a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-customers-awareness">http://www.ford.com/microsites/sustainability-report-2007-08/society-customers-awareness</a>  Report: 16, 37-40	<ul style="list-style-type: none"> <li>- In addition, Ford shows a strong commitment to track and understand consumer choices in order to identify future trends.</li> <li>- The Greener Miles program is an excellent example on how the issue of climate change and the need to reduce carbon footprint can be effectively communicated to customers.</li> <li>- Ford does an impressive job in communicating safe driving as well as eco-driving to different target groups.</li> <li>- Ongoing research is conducted to better understand the customers and identify areas where there is a need for increased education.</li> </ul>	
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Section Total	36	30
Percentage of Maximum	82%	68%

## 2 Management

This section is designed to assess how well a company reports on its activities to implement its sustainable development intentions. This section examines to what extent reporting demonstrates alignment between internal systems and sustainable development intentions, and to what extent the report explains the influence of the company on external market conditions.

		2007 Score	2006 Score	Page	Strengths	Opportunities for Improvement
2.1	Management Procedures	3	3	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-integration-processes">http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-integration-processes</a></p> <p>and;  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-management">http://www.ford.com/microsites/sustainability-report-2007-08/governance-management</a></p> <p>and;  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/environment-facilities">http://www.ford.com/microsites/sustainability-report-2007-08/environment-facilities</a></p> <p>and;  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/issues-materiality">http://www.ford.com/microsites/sustainability-report-2007-08/issues-materiality</a></p>	<ul style="list-style-type: none"> <li>– The website describes how sustainability issues are integrated into existing management structures, illustrating a number of examples. It also highlights a few examples of how management systems have developed over time (for example the EOS Environmental Operating System).</li> <li>– There is a thorough description of systems in place to manage the environmental impact of Ford's business and operation.</li> </ul>	<ul style="list-style-type: none"> <li>– Similar to last year's report, there is little sense of accountability for management structures throughout the company. Which group/function in the company is ultimately responsible for monitoring and decision making of described management systems?</li> <li>– The report could provide further detail on how sustainability issues, management systems and decision-making structures vary across Ford's major geographical businesses, or how geographical differences are accounted for in the global, company-wide systems described.</li> </ul>

2.2	Value Chain Management	3	3	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-suppliers-environmental">http://www.ford.com/microsites/sustainability-report-2007-08/society-suppliers-environmental</a></p> <p>Report: 28-34</p>	<ul style="list-style-type: none"> <li>- Overall, Ford demonstrates a strong commitment to influence its broad supply base on sustainable development issues with a specific focus on human rights and labor rights.</li> <li>- The supply chain profile (p 30) allows the reader to get a sense of the geographical and financial scope of Ford's supply chain. The boxes defining human rights and working conditions are excellent.</li> <li>- Ford gives a thorough description of programs, workshops etc. to develop suppliers' sustainable development performance, also discussing results and impacts from these sessions.</li> <li>- Assessment of existing and prospective suppliers and related findings are described, including a frank discussion of the challenges in assessing freedom of association (p31).</li> <li>- Ford clearly spells out future plans and goals in assessing and building capacity within the supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>- While reporting in this area is generally very strong, it would be helpful to see greater discussion of how Ford is addressing climate change in its supply chain.</li> <li>- The report could still discuss how the company is managing sustainability issues with dealers and/or other downstream partners.</li> </ul>
2.3	Stakeholder Engagement	3	3	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/issues-perspectives">http://www.ford.com/microsites/sustainability-report-2007-08/issues-perspectives</a></p> <p>and;  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/issues-materiality">http://www.ford.com/microsites/sustainability-report-2007-08/issues-materiality</a></p>	<ul style="list-style-type: none"> <li>- The website clearly identifies and provides relevant detail on main stakeholders. It lists examples of communication channels in a table.</li> <li>- The stakeholders' role in the materiality analysis is clearly described.</li> </ul>	<ul style="list-style-type: none"> <li>- Beyond listed communication channels, the understanding of the nature of Ford's engagement with key stakeholders remains somewhat vague. Ford could discuss and illustrate relevant examples of stakeholder engagement and show how the findings from these engagement processes have been incorporated into core business. Selected case studies would provide further insights to the reader.</li> </ul>

2.4	Personnel Performance Management, Training and Development	2	2	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-employees">http://www.ford.com/microsites/sustainability-report-2007-08/society-employees</a></p> <p>and;  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-employees">http://www.ford.com/microsites/sustainability-report-2007-08/society-employees</a>  (ONE Ford)</p> <p>Report:  8-9, 16</p>	<ul style="list-style-type: none"> <li>- The report and the website describes a number of efforts to communicate key policies and directives to employees. For example, there are online courses for employees on ethical issues, and there is a mandatory review of the Code of Conduct Handbook.</li> <li>- The web based eco-driving program for US employees is an innovative way to communicate a key sustainable development issue to the employees.</li> <li>- The Sustainability Learning Community is an excellent tool to build and strengthen internal capacity on sustainability issues.</li> <li>- The website describes the employee satisfaction surveys and compares the results to previous years.</li> <li>- The website notes plans to introduce a training course on ethics in 2008.</li> <li>- Employee development aspects of the ONE Ford initiative are briefly mentioned.</li> </ul>	<ul style="list-style-type: none"> <li>- With the exception of the planned course on ethics, Ford still does not systematically describe formal training or performance management programs (beyond access to written documents) on sustainable development issues, corporate values or related skills. Do employees receive any regular training or evaluations on these issues? Further detail on ONE Ford may be helpful in this regard, especially to the extent that it addresses skills and behaviours related to sustainable development as well as other company priorities.</li> <li>- The report could further discuss and evaluate the use of the Sustainability Learning Community and link it to sustainable development performance. What is the size (e.g. number of employees) and scope of the effort, and what are the results?</li> </ul>
2.5	Learning and Knowledge Management	2	2	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-integration-structures">http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-integration-structures</a></p>	<ul style="list-style-type: none"> <li>- The Sustainability Learning Community, a cross-functional network put in place to strengthen internal capacity and knowledge on sustainability issues, is an excellent tool to hold on to employee knowledge. The report describes plans to further develop the network with community meetings and an intranet site.</li> <li>- Employee development aspects of the ONE Ford initiative are briefly mentioned.</li> </ul>	<ul style="list-style-type: none"> <li>- It would be prudent for Ford to discuss the potential for knowledge lost due to the considerable number of employees leaving then company, as well as any efforts to mitigate this loss.</li> <li>- How does Ford evaluate the effectiveness of the Learning Community? Has it improved performance and helped Ford to reach its sustainable development goals?</li> </ul>
2.6	Public Policy and Regulatory Affairs	2	2	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-integration-structures">http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-integration-structures</a></p>	<ul style="list-style-type: none"> <li>- Ford highlights the crucial role of governments in creating a legal and political framework to decrease carbon</li> </ul>	<ul style="list-style-type: none"> <li>- Ford should move toward more systematic reporting on public affairs and policy positions related to the other material issues beyond climate change,</li> </ul>

				<p><a href="#">08/issues-climate-framework</a></p> <p>and:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-case-political">http://www.ford.com/microsites/sustainability-report-2007-08/governance-case-political</a></p> <p>Report:  9, 14, 16-19</p>	<p>emissions.</p> <ul style="list-style-type: none"> <li>– Ford clearly states its position on biofuels, supporting a fuel based on agricultural waste.</li> <li>– In the climate change section, Ford describes public policy activities in Europe and the US, clearly stating positions on political proposals and regulations, as well as emission reduction targets.</li> <li>– The website includes a case study on political donations.</li> </ul>	<p>including mobility, human rights and vehicle safety.</p> <ul style="list-style-type: none"> <li>– In future reporting, Ford could show how its company values and principles are reflected in its approach to lobbying and public affairs.</li> </ul>
2.7	Industry Influence	3	2	<p>Report:  4, 10, 17, 25, 27, 28, 34, 36, 40-41</p>	<ul style="list-style-type: none"> <li>– Overall, it is evident that Ford is taking an active role to drive the industry performance forward, especially in the areas of climate change, mobility and vehicle safety.</li> <li>– The report describes a wide range of partnerships and research initiatives, including outcomes, insights gained and future plans to drive research even further. Of particular note are the partnerships and initiatives described in the Mobility section (p 25, 27), demonstrating Ford's serious commitment to drive the sustainable mobility strategy forward with an industry-wide approach.</li> </ul>	<ul style="list-style-type: none"> <li>– Ford could give a sense of how it views its own responsibility to improve sustainable development performance across the industry and influence industry standards.</li> </ul>
2.8	Philanthropy and Social Investment	2	2	<p>Website:  <a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-community-investing">http://www.ford.com/microsites/sustainability-report-2007-08/society-community-investing</a></p>	<ul style="list-style-type: none"> <li>– The Ford Company Fund supports organizations in three strategic areas: education, auto-related safety and American heritage and legacy. Beyond these focal areas, Ford supports a number of organizations and causes.</li> <li>– The data-driven process Lean 6-Sigma Kaizen was used to analyze the Fund's</li> </ul>	<ul style="list-style-type: none"> <li>– Beyond the stated focus on auto-related safety, the philanthropic focus areas do not reflect identified material issues. Moreover, the additional number of organizations that receive support from Ford makes the Ford's philanthropic agenda appear slightly fragmented.</li> <li>– The website mentions considerably</li> </ul>

				<a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-community-investing-fund">http://www.ford.com/microsites/sustainability-report-2007-08/society-community-investing-fund</a>	<p>community activities, in order to improve the effectiveness of philanthropic activities.</p> <ul style="list-style-type: none"> <li>– Moreover, the website describes the role of the Community Relations Committee (CRC) and the Ford volunteer corps.</li> <li>– The website provides a link to the Community Investment Report and Newsletters.</li> </ul>	<p>decreased funding of community investments due to financial setbacks; however it does not discuss which areas that have been affected and related possible impacts, nor whether these setbacks have encouraged Ford to focus on philanthropic efforts that are more strategically aligned with its business priorities.</p> <ul style="list-style-type: none"> <li>– Finally, while there is extensive information on the company's social investments available on the website, it would be helpful to also see a consolidated summary of philanthropic activities, disclosing figures and discussing results, impacts and future plans.</li> </ul>
2.9	Investor Relations	2	2	<p>Website:</p> <p><a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-who">http://www.ford.com/microsites/sustainability-report-2007-08/society-who</a></p> <p>and;</p> <p><a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-transparency">http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-transparency</a></p> <p>Report: 11</p>	<ul style="list-style-type: none"> <li>– The report recognizes the importance of providing climate change-relevant information to major investors and shows how the company integrates climate risks into its business strategy, in order to maintain access to capital.</li> <li>– Investors are identified as key stakeholders, and communication channels and forums are listed in the web based report.</li> <li>– In addition, investors are identified as a main target audience for reporting and the company states its intention to develop sustainability communications tailored to their needs.</li> </ul>	<ul style="list-style-type: none"> <li>– The report would benefit from describing attempts to communicate relevant information to investors across all material issues.</li> <li>– The report could provide further detail on Ford's future plans to develop sustainability communications aimed specifically at investors.</li> </ul>

Section Total

22

21

Percentage of  
Maximum

61%

58 %

### 3 Presentation of Performance

This section is designed to allow the reader to assess how well the company reports and explains its performance on material sustainable development issues.

		2007 Score	2006 Score	Page	Strengths	Opportunities for Improvement
3.1	Performance and Strategy Alignment	3	3	<p>Website: <a href="http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy">http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy</a></p> <p>+ Under each tab "Progress and Data" in the sections Economy, Society and Environment</p> <p>Report: 8, 10, 22, 28, 36, 42+ throughout the report</p>	<ul style="list-style-type: none"> <li>- The sections "Since our last report" highlight key achievements, mainly qualitative, on each material issue. In addition, qualitative and quantitative performance information is presented throughout the report.</li> <li>- Performance data is organized around the broader categories of society, economy and environment, differing from last year's organization around business principles. Ford explains that this reorganization better reflects the organization of the web based report as well as the GRI guidelines. The web based report provides both a summary of the performance, as well as more detailed information under each section.</li> </ul>	<ul style="list-style-type: none"> <li>- The performance presentation summary on the web and in the report (p 46) could better reflect all material issues. For example, the society section does not reflect any data on suppliers (under Human Rights).</li> <li>- A discussion of how the company's performance has affected the issue identification process would further strengthen the report.</li> <li>- The report would benefit from mentioning the commendable life-cycle analysis of the vehicles provided in last year's report. Additional information on this could be presented on the website.</li> </ul>
3.2	Measuring Sustainable Development Performance	3	3	<p>Website: <a href="http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-">http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-</a></p>	<ul style="list-style-type: none"> <li>- Overall, Ford does an impressive job in measuring sustainable development performance across all material issues.</li> <li>- The indicators are precise, consistent and relevant and allow the reader to get a clear picture of Ford sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>- Given the strong focus on and wide range of ongoing research initiatives (through partnerships) in the material issue of Mobility, it would be interesting to get a sense of Ford's investments in this area.</li> <li>- The report includes little discussion of how indicators were chosen and to what extent</li> </ul>



				<a href="#">economy</a> + under all tabs; economy, society, environment	performance.	stakeholders were involved in the decision process.
3.3	Context and Interpretation	3	2	Website: <a href="http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy">http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy</a>  and under all tabs; economy, society, environment	<ul style="list-style-type: none"> <li>- Overall, the website provides useful context to comprehensive performance data. The six-year scope allows the reader to understand how Ford's performance has evolved over time.</li> <li>- The "Progress and Data" sections on the web are excellent as they provide an informative summary of the performance, giving a sense of how Ford evaluates its own performance.</li> <li>- The discussion of increasing interest in more fuel-efficient vehicles (society section) is strong and gives the reader a sense of market trends.</li> </ul>	<ul style="list-style-type: none"> <li>- While Ford generally does a good job in contextualizing its performance data, it provides little external and industry context allowing the reader to understand how Ford's sustainable development performance measures up to industry peers. For example, Ford could compare its CO2 emissions with its main competitors.</li> <li>- The charitable donations data could be broken down on the basis of activities/projects and regions, allowing the reader to get a better sense of the philanthropic focus.</li> </ul>
3.4	Target Setting	2	2	Report: 4, 10, 12, 21, 35 + Throughout the report	<ul style="list-style-type: none"> <li>- The discussion of carbon emission targets in the climate change section is commendable, allowing the reader to understand how these have been selected. The table presenting climate change commitments and targets (p 12) is commendable, giving an insight into Ford's progress to date.</li> <li>- A table presents future, mid-term and long-term targets on sustainable technology and alternative fuels.</li> </ul>	<ul style="list-style-type: none"> <li>- In future reporting, Ford could aim to integrate specific, measurable and time-bound targets in all material issues, ideally linked to performance data. Currently, there seems to be limited use of targets in the areas of mobility, vehicle safety and human rights.</li> <li>- In addition, it is important for the reader to understand why and how targets have been selected, and how they will be tracked in the future.</li> </ul>
3.5	Performance Against Standards	2	2	Website: <a href="http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy">http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy</a>	<ul style="list-style-type: none"> <li>- Ford describes its use of environmental standards ISO 14001 for manufacturing facilities and product development.</li> <li>- Ford mentions that it follows health and</li> </ul>	<ul style="list-style-type: none"> <li>- The report would benefit from a thorough discussion on how the company implements external standards across all material issues (beyond human rights and environment), and evaluates its</li> </ul>

			<p><a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-integration-processes">08/governance-integration-processes</a></p> <p>and;</p> <p><a href="http://www.ford.com/microsites/sustainability-report-2007-08/society-employees-workplace-acts">http://www.ford.com/microsites/sustainability-report-2007-08/society-employees-workplace-acts</a></p> <p>and;</p> <p><a href="http://www.ford.com/microsites/sustainability-report-2007-08/environment">http://www.ford.com/microsites/sustainability-report-2007-08/environment</a></p> <p>Report: 18-19, 29</p>	<p>safety standards to improve its performance in this area.</p> <ul style="list-style-type: none"> <li>- The company is a member of the UN Global Compact and describes efforts to integrate these principles in its business, with a specific focus on human rights.</li> <li>- The report discusses its adherence to legal regulations on CO2 emissions in the US and the EU (p 18-19).</li> </ul>	<p>performance against those.</p> <ul style="list-style-type: none"> <li>- Further discussion showing how standards are reflected in internal policies, norms and commitments, in line with that on UN Global Compact principles, would strengthen the report.</li> </ul>
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Section Total	13	12
Percentage of Maximum	65%	60%

## 4 Accessibility and Assurance

This section examines how successful companies are in designing their reporting approach to meet the needs of the audiences for their sustainable development reporting. This includes an assessment of reporting on efforts to give readers confidence in the information presented.

		2007 Score	2006 Score	Page	Strengths	Opportunities for Improvement
4.1	Assurance	2	2	Report: 47	<ul style="list-style-type: none"> <li>- The report is reviewed by an external stakeholder committee convened by CERES, and Ford describes the process.</li> <li>- The report mentions that Ford has explored but not pursued third-party verification of data.</li> </ul>	<ul style="list-style-type: none"> <li>- While the report mentions possible exploration of assurance verification, it does not explain why this has not been pursued, nor does it give any indications of future assurance plans.</li> <li>- Similar to last year's report, Ford does not present any detail on the members of the stakeholder committee, nor the actual feedback received. This feedback, as well as measures taken to address the recommendations, could be presented.</li> </ul>
4.2	Reporting Commitment, Policy and Strategy	3	3	Website: <a href="http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-transparency">http://www.ford.com/microsites/sustainability-report-2007-08/governance-sustainability-transparency</a> and; <a href="http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy">http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy</a>	<ul style="list-style-type: none"> <li>- The performance section on the web compares the report with last year's in terms of organization of data.</li> <li>- The Transparency and Reporting section demonstrates Ford's strong commitment to sustainability reporting, and highlights how reporting is crucial to organizational learning, transparency and performance.</li> <li>- In addition, Ford mentions how it regularly seeks feedback from experts on reporting, including SustainAbility, briefly mentions feedback from these engagements and provides a link to last year's SustainAbility benchmark report.</li> </ul>	<ul style="list-style-type: none"> <li>- While Ford mentions how reporting is crucial to organizational learning and performance, it could further discuss and exemplify how it helps the company to improve performance and meet targets.</li> <li>- Ford does not indicate any future reporting plans. Does Ford plan to evolve coverage or change its reporting in the near future?</li> </ul>

4.3	Reporting Standards	2	2	<p>Website: <a href="http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy">http://www.ford.com/microsites/sustainability-report-2007-08/overview-performance-economy</a></p>	<ul style="list-style-type: none"> <li>- Ford states its commitment to report against the GRI guidelines, self declaring the report to an "A" level. In addition, Ford gives a brief background perspective of the use of GRI.</li> <li>- Moreover, Ford explains that the organization of the report (with a specific focus on data presentation) is restructured in comparison to last year, in order to be more aligned with the GRI guidelines.</li> <li>- Ford explains that the company participated in the GRI process that resulted in the updated GRI guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>- The report would be further strengthened by a discussion of the usefulness of reporting, and how/whether the standards have helped the company to drive internal performance.</li> <li>- It would be interesting to get further detail on Ford's participation in the review of the GRI guidelines. What was the nature and extent of this engagement?</li> </ul>
4.4	Accessibility of Information	3	2	<p>We based report + Printed report</p>	<ul style="list-style-type: none"> <li>- The web based report is clearly structured.</li> <li>- The printed report captures the key issues and relevant information, hence provides a good summary of the web report. It is also very well structured, and well balanced between pictures, "boxes", graphs and tables, which makes it easy for the reader to read and navigate in the report.</li> <li>- The boxes highlighting "Since our last report" and "In this section" ( p 8,10, 22 etc.) are a welcome addition to the report and highlight major achievements as well as key information in the sections.</li> </ul>	<ul style="list-style-type: none"> <li>- While the web based report provides extensive and useful information it makes it sometimes hard for the reader to navigate in the report. A search function would facilitate for the reader to find specific information.</li> <li>- The printed report would benefit from more frequent and specific references to additional detail on the website, in line with last year's report.</li> <li>- While both the web report and the printed report are well organized and better aligned with one another than last year's, it would be easier if they followed the same structure as it would better enable the reader to use the two simultaneously or interchangeably.</li> <li>- Providing occasional links to parts of Ford's main website or other forms of communication might help readers to better understand integration of sustainability into the business, and vice versa.</li> </ul>
Section Total		10	9			
Percentage of Maximum		63%	56%			

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## 5 Scoring System

The scoring system was the subject of improvement during 2002, with the aim of making it more consistent across all elements of the methodology. The generic scoring device, from 0-4 points, is as follows:

### **0=NOTHING**

The report provides no information on the issue, or nothing sufficiently significant to suggest the company understands or takes the issue seriously. Overall, any statements appear generic or formulaic, without specific links to the company and its own activities or impacts.

### **1=SKETCHY**

Coverage suggests the company recognises the issue to some degree, and is attempting to present it in a serious way.

BUT: The company does not (yet) address the issue in a systematic way. Without assurance of the existence of a systematic approach, the reader cannot be sure that the coverage of this aspect is not due to a good report writer and/or the company's desire to be seen in a favourable light, rather than a true reflection of actual reporting activities underway within the company. Overall, there is evidence of effort, but it is difficult to tell whether the company is really moving in the right direction, because the overall pattern does not come into view.

### **2=SYSTEMATIC**

Coverage suggests the company is taking the issue seriously and seeking to present the information systematically. Overall you get the sense that the company is on the right track in terms of satisfying the criteria.

BUT: even though the systems and processes are robust, they have not yet been fully developed or rolled out across the company, across divisions, and across issues, all of which takes time.

### **3=EXTENSIVE**

Coverage is serious AND systematic AND not suffering from major gaps in coverage, presentation or interpretation – a systematic treatment that has been rolled out across the company and across a range of issues and concerns. N.B. This is not to explicitly require that every single company activity, every single major issue, every single individual site has achieved the same level of sophistication in issues management, information gathering and presentation. The 'preponderance of evidence' should show a significant, widespread level of success in rolling out systems and processes.

BUT: The information is not explicitly or fully linked to core business decision-making. Overall, while reporting in this area is very good, there is insufficient evidence that the company in general could be deeply affected and influenced by the process of reporting.

### **4=INTEGRATED**

Reporting is serious, systematic and extensive, AND evidence is given that shows how reporting in this area is linked to general business decision-making and core processes to improve SD effectiveness. The reader is confident that the company at the highest levels takes to heart the results of reporting in this area and alters course accordingly.