



Go Further

SUSTAINABILITY REPORT 2013/14

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Voice: Jim Vella



Maintaining strong and open communications and engagement with the people our activities affect – from our own employees and the dealers who sell our vehicles to our customers and our broader communities – plays an important role in our One Ford goal of delivering profitable growth for all.

Read more about [OUR APPROACH](#)



INVESTING IN THE “STEM” PIPELINE

Our company’s future success is dependent upon innovating the technologies that not only meet, but exceed, the demands of our customers. It is critical that we develop a pipeline of technically trained professionals and that we create opportunities for students to become more engaged in the fields of science, technology, engineering and math (STEM).

Read more about [OUR STEM STRATEGY](#)

OUR GOALS AND PERFORMANCE PROGRESS



Goal: Fatalities target is always zero.

In 2013 we marked the third year since 1918 without an employee work-related fatality.



In 2013 we created nearly 6,500 jobs in the U.S., including 3,300 salaried positions, and planned to hire more than 6,000 employees in Asia in 2014 to meet the growing demand for fuel-efficient, high-tech vehicles.



We paid record profit-sharing payments to about 47,000 eligible U.S. hourly employees in early 2014.



We support our communities through strategic investments and volunteer efforts. In 2013, Ford contributed \$37.7 million, and 25,000 Ford employees and retirees volunteered more than 150,000 hours.



Nearly half of our 3,263 U.S. dealers have enrolled in our "Go Green" program, which encourages dealers to implement energy efficiency initiatives.

See more at [FORD'S GOALS, COMMITMENTS AND STATUS](#)



DIVERSITY AND INCLUSION

Henry Ford saw the wisdom of creating a diverse workforce, long before such a concept was embraced by other business leaders. A century later, we continue to attract a highly skilled workforce that reflects diversity across culture, ethnicity, race, perspective, age, religion, physical ability and sexual orientation. We are committed to the advancement of women and minorities in our operations.

Read more about [OUR DIVERSITY EFFORTS](#)



Case Study: [HIRING TALENT IN ASIA PACIFIC](#)

Ford's expansion in Asia Pacific is unprecedented. Starting around five years ago, we saw the huge potential for growth in Asia and began an extraordinary ramp-up of new manufacturing facilities, especially in China, India and Thailand, to meet consumer demand for our vehicles. But how do you build the pipeline of talented people necessary to run and manage operations that seem to be exploding virtually overnight? You start with a comprehensive talent strategy.



Voice: [JIM VELLA](#)

President, Ford Motor Company Fund and Community Services

"Employee engagement is critical to our success. Employees want to be engaged with their communities and enjoy the opportunity to give back. We can truly make a much bigger impact on social issues when we combine our financial resources with our people resources."



INVESTING IN OUR COMMUNITIES

Ford has been supporting community efforts since our founding more than 100 years ago. For us, it is not just about donating money. It's also about building partnerships and working with others to address the difficult challenges so many people are facing.

Read more about [OUR WORK WITH COMMUNITIES](#)



ENGAGING WITH DEALERS

Our dealers are a source of strength. They are a critical part of our success and important economic contributors to their communities. They represent the face of Ford to our customers and communities and provide employment, tax support, leadership and customer service.

Read more about [OUR DEALERS](#)



CUSTOMER ENGAGEMENT

Maintaining good relationships with our customers is one of our most important activities. We engage in two-way communication with our customers in a variety of ways, including social media.

Read more about [OUR APPROACH TO CUSTOMER ENGAGEMENT](#)

2013 HIGHLIGHTS



\$3.5 million

the equivalent of in-kind corporate contributions through our employee volunteerism.



181,000 +

Ford employees worldwide.



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Overview

Maintaining strong and open communications and engagement with the people our activities affect – from our own employees and the dealers who sell our vehicles to our customers and our broader communities – plays an important role in our One Ford goal of delivering profitable growth for all.

Positive relationships with employees and business partners help us to improve efficiencies, cost and quality, and better enable us to develop and innovate. An engaged and motivated work force can strengthen our business, allowing us to attract and retain the best people. Effective two-way dialogue with our customers, dealers and other stakeholders helps us to understand and deliver the products that customers want.

This section of our report focuses on the people who interact with our company in different ways – the [employees](#) who work for us; the [dealers](#) who sell and lease our vehicles; the individuals who live and work in the [communities](#) in which we operate; and the [customers](#) who purchase our products. (Information on our suppliers can be found in the [Supply Chain](#) section. Information on our investors can be found on the [Ford investor](#) website. The [stakeholder engagement](#) section of this report provides an overview of our stakeholders and how we interact with them.)



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Workplace

In 2013 and early 2014, we made progress in a number of areas related to our employees. For example, we:

- Created nearly 6,500 jobs in the U.S., including 3,300 salaried positions, and planned to hire 6,000 employees in Asia in 2014 to meet the growing demand for fuel-efficient, high-tech vehicles.
- Negotiated collective bargaining agreements with labor unions in 17 countries globally.
- Made record profit-sharing payments to approximately 47,000 eligible U.S. hourly employees.
- Continued our work in projects to develop a strong pipeline of employees in science, technology, engineering and math (STEM) fields.
- Continued to win recognition for our diversity efforts.
- Marked a year of zero employee work-related fatalities and a lost-time injury rate that was lower than the industry average.

To learn about our commitments in some of these areas, see our [Goals and Commitments](#) table.

Renewing Our HR Systems

Our One Ford business model requires an integrated approach to how we manage talent. Developing talent on a regional and global scale requires common processes, robust work force planning and real-time data to support the business as we adapt to an ever-changing global environment.

For years, however, Ford had been working on a fragmented and outdated set of systems that made it challenging for our human resources (HR) teams to coordinate across multiple regions. We are now in the process of developing a global leading-edge HR technology platform for our entire salaried work force of approximately 60,000 people across all Ford business units.

By building a global technology platform, we'll gain more insights into our work force and how we can better meet the needs of our people and of our business. We will be better able to support our people with online leading-edge processes, and enable better decision-making to fully leverage our global talent base.

The new platform, which is being implemented in phases through 2016, will help us provide better long-range work force planning for our business. It allows us to manage employee data with standard sets of criteria across all of our global operations while respecting data privacy concerns. Getting all of these data points into the new system is a daunting task as we convert historical information and keep track of sensitive data in line with required security levels and data privacy legislation around the world.

The platform also includes a new employee development component, known as Career Navigator, which was rolled out on a pilot basis to 11,000 employees globally in 2013, and launched to all 60,000 salaried employees globally in 2014. Career Navigator is a technologically innovative tool that integrates all of our professional development processes in one place and enables quality, data-driven discussions between employees and supervisors. Other new technology components include global reporting, work force planning and analytics, and compensation planning.



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Employees

Here at Ford, our employees are the drivers behind our successes, including our planned launch schedule of 23 new or significantly refreshed vehicles for 2014 – the most aggressive in our history. As we continue to witness surging global demand for our products, we rely ever more deeply on the skills and talents of our dedicated work force of some 181,000 individuals.

Ensuring a great place to work requires an understanding of [employee satisfaction](#) and what employees value about being part of Ford Motor Company. We engage our work force as individuals and foster [leadership development](#) in a [diverse](#) environment where people feel valued and included. We're focused on developing a skilled and motivated team – the essence of Ford – while providing a [safe](#), respectful and inclusive environment.

Our current manufacturing expansion is the fastest and strongest we have experienced in 50 years. To fuel this growth, we are hiring in North America and Asia Pacific and are exploring new strategies to develop a pipeline of future talent, especially in technological fields. We must keep investing in the intellectual and human capital that drives our ability to innovate and compete.

In North America, we created more than 14,000 jobs during 2012 and 2013 alone as part of our largest hiring initiative since the beginning of the new millennium. In 2013, we announced we would hire more than 3,000 salaried employees in the U.S. – 80 percent of them technical professionals to work in product development, manufacturing, quality and information technology. We expect to hire approximately 6,000 employees in Asia Pacific in 2014, the vast majority of them hourly employees.

Wherever possible, we aim to share our successes with our employees. In the U.S., for example, we paid record profit-sharing payments to about 47,000 eligible U.S. hourly employees.

Although we grew in U.S. and Asian markets, we had to realign our business in [Europe](#) to address overcapacity issues. This resulted in the closure of two U.K. plants in July of 2013. We also reached agreement to close our plant in Genk, Belgium, at the end of 2014. Meanwhile, we announced plans to exit manufacturing in Australia by October 2016. The Australia action will result in approximately 1,200 job losses. We recognize the impacts that these closures will have on the communities and we will look to maximize redeployment of those positions wherever we can. Realistically, however, we believe those opportunities will be limited.

Related links

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Employment Data

As of December 31, 2013, we employed approximately 181,000 individuals globally – 10,000 more than at the end of 2012. Substantially all of the hourly employees in our Automotive operations are represented by unions and covered by collective bargaining agreements. In the United States, approximately 99 percent of these unionized hourly employees in our Automotive sector are represented by the UAW¹. Approximately 1.5 percent of our U.S. salaried employees are represented by unions. Most hourly employees and many non-management salaried employees at our operations outside of the United States are also represented by unions. These unions are key partners with Ford in providing a safe, productive and respectful workplace. For more information about our collective bargaining agreements, please refer to our [Form 10-K](#).

Global Employment Numbers

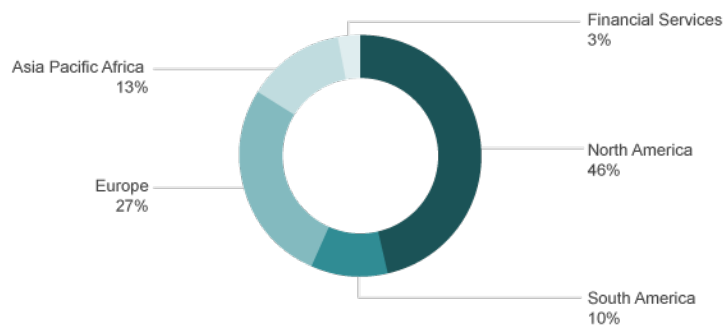
Number of employees

2013	181,000
2012	171,000
2011	164,000
2010	164,000
2009	177,000

2009	2010	2011	2012	2013
177,000	164,000	164,000	171,000	181,000

All figures as of year-end.

Global Workforce 2013²



Percent

	2013
North America	46
South America	10
Europe	27
Asia Pacific Africa	13
Financial Services	3

1. UAW originally stood for United Auto Workers; the full name today is the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.
2. Numbers do not add to 100 percent due to rounding.



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Supporting One Ford

While we have many types of employees and work arrangements, all of our employees together create a skilled and motivated team aligned around our overall One Ford objectives. Our One Ford plan aligns our efforts toward a common definition of success: having One Team, One Plan and One Goal for an exciting, viable Ford that delivers profitable growth for all. One Ford also provides consistent goals and expectations for employees – whether they work in the U.S., China or one of our other global locations – with a clear focus on the skills and behaviors we must demonstrate to accomplish our goals. All members of our global team are held accountable for incorporating One Ford into their daily work.

We have integrated One Ford into our people processes to support employee development and drive accountability for moving the company forward while demonstrating expected behaviors that are fundamental to the success of One Ford:

- **F:** Foster Functional and Technical Excellence
- **O:** Own Working Together
- **R:** Role Model Ford Values
- **D:** Deliver Results

Over the last few years, implementing the One Ford plan has meant that we have focused our people strategies on four key goals: creating a great place to work; developing a capable and effective work force; aligning our organizational structure with our global business footprint; and providing the “people-related” processes to support our work force. That One Ford approach was extended into our [Go Further](#) campaign, which embodies our commitment to our customers. One Ford is our road map and plan, while Go Further is the promise behind our efforts.

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Attracting Talent

In the U.S. especially, automakers must compete for talent, and we have stepped up our efforts to find the best and the brightest to join our team. We are in the midst of the largest hiring initiative in more than a decade as we continue to ramp up our production to meet growing consumer demand.

To attract potential salaried candidates, in 2013 we launched a new recruiting campaign with a large social media element. Titled "The Distance Between You and an Amazing Career Has Never Been Shorter," the campaign encourages candidates to bring their talents to Ford and contribute to serving customers through innovative solutions. We created the campaign to highlight that Ford team members are leading the way in imagination and creation. We wanted a fresh and innovative image that illustrates that our employees are as important to Ford as the vehicles they create.

Our message to job candidates is simple: Bring your talents to Ford and help us build an even greater future.

The new initiative engages job candidates on the three major social network sites that we use for attracting employees – Facebook, Twitter and LinkedIn, as well as our Ford corporate careers website. We have been creating [profile videos of current Ford employees](#) to showcase to job seekers the different types of positions available at our company.

In addition to an expanded online presence, we are stepping up our recruitment efforts on college campuses since about one-third of our annual hires come from colleges and universities. We recently opened the new Ford Talent Center in Dearborn, Michigan, where we can provide better interview experiences for potential hires while showcasing our company's rich history and exciting products.

In 2014, we will be increasing the number of college interns we bring to our operations by approximately 20 percent. This is primarily attributed to an increased need for interns in our engineering and other technical areas to meet the needs of our customers. Our internship program is one of the key ways that we find and develop talent.

In 2013, we announced we would hire 3,000 salaried employees in the U.S. – 800 more than previously expected. With only a 2.7 percent voluntary quit rate among current employees, the majority of these jobs are new positions. Of the 3,000 new jobs, roughly 2,400 of them were technical professionals to work in product development, manufacturing, quality, purchasing and information technology. Engineers and technical professionals are in as much demand as our vehicles.

In addition to the salaried hires, we announced in April 2013 that we would hire an additional 2,000 hourly workers at our Kansas City Assembly Plant to help meet demand for our Ford F-150 truck. In November, we announced we would add about 350 new jobs at our Buffalo Stamping Plant. We have pledged to create 12,000 hourly jobs in the U.S. by 2015.

During 2013, we made significant improvements to the "on-boarding" process for newly hired employees. These improvements include more information up front about Ford, streamlined office logistics (such as laptop distribution on the first day of work) and benefits enrollment within a few days.

The updated corporate orientation program is designed to give new employees better insight into our history and our global reach while forging new connections with other new employees and with corporate leaders. In 2013, 1,200 new employees attended three on-boarding events, and 99 percent of participants said they felt the events met their expectations.

Compensation and benefit programs are an important part of the company's employment relationship, which also includes challenging and rewarding work,

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growth and career development opportunities, and being part of a leading company with a diverse work force and great products. Ford is a global company with a consistent compensation and benefits framework that is affordable to the business.





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Investing in the STEM Pipeline

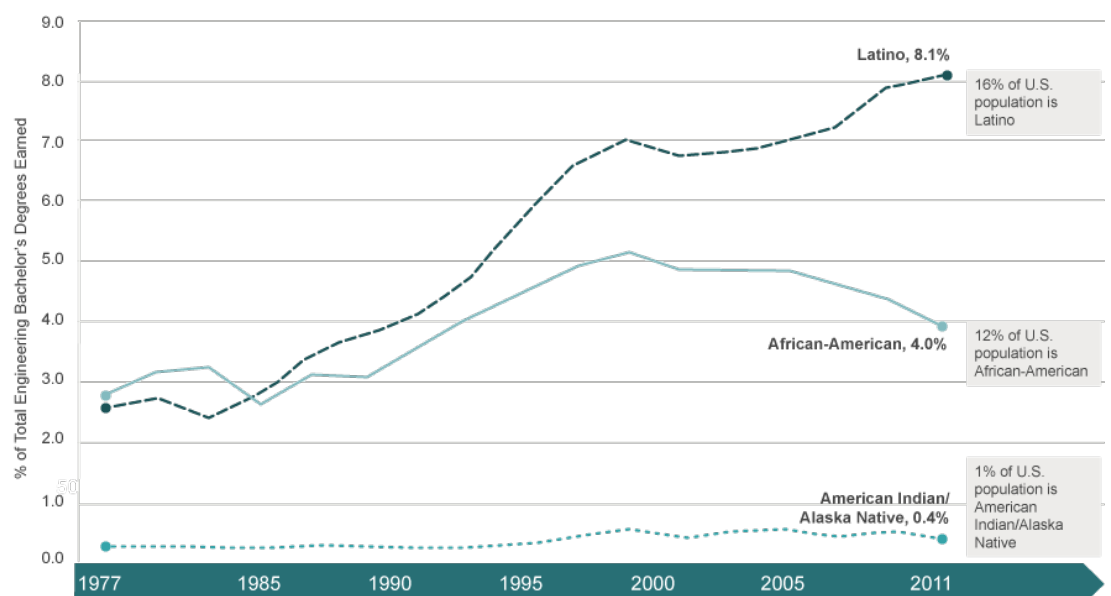
Our company's future success is dependent upon innovating the technologies that not only meet, but exceed, the demands of our customers. And exceeding those expectations will only happen with the right talent. The problem is that the automotive industry is facing severe shortages of students and recent graduates entering the work force with the skills and knowledge necessary to propel our business forward, particularly in technological fields.

It is critical that we develop a pipeline of technically trained professionals and that we create opportunities for students to become more engaged in the fields of science, technology, engineering and math (STEM). The situation is particularly acute in the United States. According to a recent survey by the Program for International Student Assessment, U.S. students ranked 24th in the world in their understanding of science and 31st globally in math.

Meanwhile, the percentage of degrees awarded in STEM disciplines is on the decline. For example, enrollment in engineering degrees is expected to fall to just 5.5 percent of all college majors by 2020 – about half of what it was in 1995.

Adding to the problem, minorities and women are underrepresented in the field. While Latinos make up about 16 percent of the U.S. population, they comprise just 8 percent of those earning engineering degrees. African-Americans, who make up 12 percent of the overall population, make up only 4 percent of those earning engineering degrees. And while the rate of women earning engineering degrees is steady, the rate of minority women is declining, particularly among African-American women.

% of Total Engineering Bachelor's Degrees Earned 1977–2011



Source: National Action Council for Minorities in Engineering, Inc. (NACME), 2013. 2013 NACME Data Book. Retrieved from <http://www.nacme.org/research-publications>.

Those statistics relate only to those who would be entering the work force in the next few years. Among those who are currently teenagers – the employees of the future – just 17 percent of students express high interest and demonstrate strong proficiency

in STEM careers. We need to get more students interested – and maintain their interest.

And many of those who do choose STEM careers are often unaware that the auto industry offers innovative and collaborative careers beyond core engineering. Despite our exciting technical innovations, we often must compete for talent with the high-tech companies of Silicon Valley and continue to fight perceptions of an aging industry. In truth, however, these days we are as much a technology company as an auto company.

So what are we doing about it? In recent years, we have stepped up our efforts with a new strategy that is supporting STEM initiatives in a more holistic way. Our STEM strategy recognizes the importance of a strong governance structure with leadership that supports the strategy with resources to ensure it remains sustainable. To that end, we have councils at various levels of the company that engage many sectors of our business. We ensure that our current and future initiatives are aligned, using data and metrics to drive actions and decisions on where we will invest in the future. Finally, we know we're not in this alone, so it's vital to stay connected to stakeholders who are active partners. These include external organizations already working on great STEM initiatives, as well as our own employees who are passionate about securing the future of Ford and the overall automotive industry.

We have developed programs that promote awareness, hands on learning and STEM educational opportunities and support teams in established programs such as FIRST Robotics and vehicles teams at select universities.

We support several programs that build STEM skills, as described below.

High School Science and Technology Program (HSSTP)

For 30 years, Ford's HSSTP program has given students in southeast Michigan the opportunity to spend time on the Ford campus meeting with scientists, engineers and technicians to see how science and engineering can have real-world applications. Participating students spend six Saturday morning sessions at Ford's Research and Innovation Center in Dearborn with Ford employees who volunteer their time to some 200 students a year.

The program gives us a chance to promote science and engineering, and reach out to students to encourage them to consider new career options. Students who attend at least five of the sessions are eligible to apply for summer internship positions.

Some of the participants have ultimately become Ford employees. Angela Harris, for example, participated in HSSTP when she was in high school in 1998. She did an internship at Ford that summer and then came to Ford as a full-time employee in 2003 after graduating from the University of Michigan with a bachelor's degree in chemical engineering.

"I don't think I would have known to go into chemical engineering if I hadn't had the opportunity to do the internship here at Ford," said Harris, who now works as a research engineer in biomaterials and plastics. "Most people don't start their careers when they're 16 years old, so it's been an interesting journey for me."

Philip Lechowicz, a research engineer and member of Ford's electrification team, also attended the HSSTP and did an internship at Ford when he was a student at Adlai Stevenson High School in Livonia, Michigan, in 2000. "It's a very good opportunity to get real-world experience versus the typical textbook instruction you get in the classroom," he said. "The Ford HSSTP experience proved to be an invaluable asset throughout my undergraduate and graduate university studies, and was a springboard to enter the engineering work force."

We have been exploring how we can replicate this successful program in other geographic areas beyond just southeast Michigan.

Ford Next Generation Learning (Ford NGL)

Ford NGL mobilizes educators, employers and community leaders to prepare a new generation of high school students for college, careers and life. The program, which was launched by the Ford Motor Company Fund in 2006, provides dollars, coaching, mentoring and technical support to more than 20 communities in the U.S. to establish "career academies" that allow students to learn their academics through the lens of a career which, in turn, makes learning more relevant and meaningful. These career academics are developed to align with the work force and economic development needs of a city or region. A large majority of the academies focus on STEM careers.

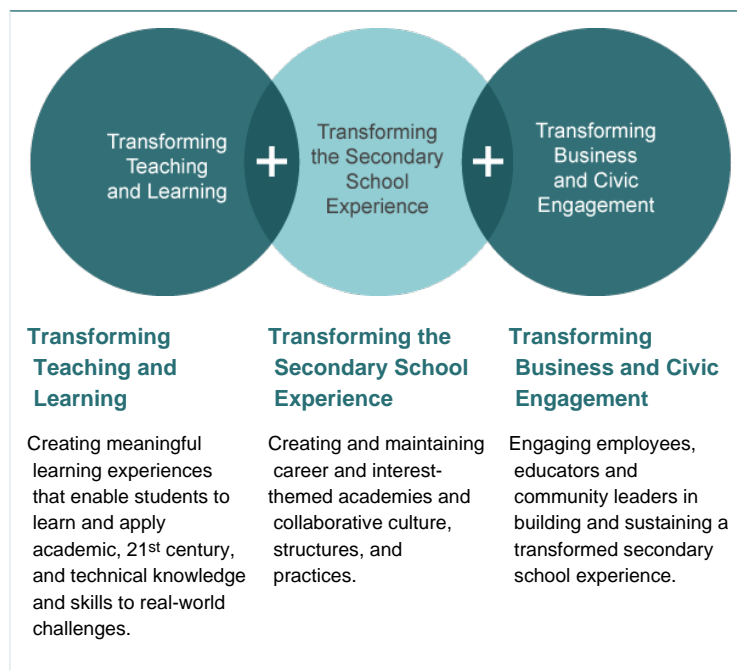
Ford NGL evolved out of the Ford Partnership for Advanced Studies (PAS), which officially launched in 2004 as a high school curriculum focused on helping teachers to engage students in more project-based learning. The Ford NGL program goes beyond working with a small group of teachers in a high school. Instead, the program

addresses how a district or region of districts can transform their high schools into career academies that use real-world, project-based lessons tied to a potential career. Our experience and research show that it takes a community to make real change, and our approach blends the expertise of stakeholders across the communities where the Ford NGL program is in place. Three distinct but interconnected strands comprise the Ford NGL framework, which enables whole communities to design and carry out a long-term plan for revitalizing education (see graphic below).

The public school system in Nashville, Tennessee, for example, has seen a tremendous boost in its graduation rates since it became a Ford NGL community. With 12 high schools and more than 16,000 students, the program has set up a total of 78 career academies that focus on topics ranging from engineering to aerospace to music production. The graduation rate jumped from 58 percent in 2005 to 75 percent in 2013.

“This is the most holistic and systematic approach to the transformation of high schools that we’ve seen as it creates a way for local employers, post-secondary partners and civic leaders to support education in very meaningful and systemic ways,” says Cheryl Carrier, executive director of Ford NGL.

Through programs like NGL, we’re now focusing even more strongly on developing a pipeline of future talent in the U.S. who are prepared for STEM careers and greater success in whatever careers they choose to pursue.





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Employee Satisfaction

Each year, we ask our work force to participate in the Global Pulse and Engagement (Pulse) survey to gain insight into employees' overall satisfaction with the company, their jobs, diversity and other aspects of their workplace experience. We encourage our employees to provide candid feedback, and we benchmark results and participation externally. Results of the survey are incorporated into our business planning review processes. Improving Pulse scores is an annual performance objective for many of our senior managers.

In 2013, 70 percent of our salaried employees across the globe participated in the survey, which included a total of 55 multiple-choice questions across 12 dimensions of workplace life, including training and development, diversity, and workplace safety practices. The results of the 2013 survey were highly favorable, with 11 of the dimensions improved over 2012 and one unchanged.

The Employee Satisfaction Index (ESI) section of the survey, which asks employees questions such as whether they feel valued at work or whether they believe they are rewarded for their job performance, increased 4 percentage points from 2012. Considered the bellwether of employee satisfaction, Ford's ESI score is 8 percentage points above the company's benchmark, which is comprised of a group of Fortune 500 companies.

Within the ESI, the highest score – 14 percentage points above the external benchmark – was for the question that asked employees whether they feel satisfied with the information they receive from management on what's going on with the company. Three of the four questions that improved most in 2013 were from the ESI category.

The 2013 survey also showed overall success in that 47 of the 55 questions showed improvement in 2013 and eight questions remained flat.

In 2013, we conducted a global survey of our hourly employees for the second time. The objective was to increase participation levels and collect feedback from our hourly work force and to compare data to the baseline metrics collected in the prior year. The survey measured the effectiveness of the One Ford strategy and its impact on employee satisfaction, and guided continuous improvement efforts in our manufacturing operations. Plant locations in 13 countries participated, generating feedback from more than 43,000 employees. The survey included a minimum of 20 questions that were consistent with questions asked in the salaried Pulse survey. Regions could add more questions as needed. The most favorable responses were around company mindset, quality work practices and training. ESI results in 2013 were down 7 points, although base participation almost doubled from 2012. Improvement efforts will continue to focus on the effective implementation of our overall Ford Production System, which encompasses safety, quality, delivery, cost, people, maintenance and environment. Read more in the [Health and Safety](#) section of this report.

As part of our efforts to increase satisfaction, we are constantly improving our strategies for fostering open dialogue with employees. Read more in the [Employee Engagement](#) section.

In addition, each year following the survey, we send managers and supervisors throughout Ford a report that shows how their specific teams and/or plants responded to the questions on the survey. The goal is for the managers and supervisors to then meet with their work groups, discuss the results, and develop action plans for improvement.

For more information on the [Pulse survey](#), see the Data section of this report.



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Employee Engagement

Keeping our employees engaged with our company overall, and encouraging them to stay connected with their peers and their communities, is an essential component of our people strategy here at Ford. We know there is a strong benefit to the business when employees are engaged with their work and encouraged to be creative and innovative. A more engaged work force helps us to attract – and retain – the talent we need to be an industry leader.

We believe it's important to communicate with our work force in ways that are open and transparent. We do so through a variety of interactive forums, from "town hall" meetings to intranet surveys and chats, from joint labor-management committees to diversity councils. We also use several publications, such as plant newsletters and our @Ford magazine, to communicate the latest information on the state of the company and our products. In recent years, we have also increased our use of social media applications, such as Facebook, to inform and connect with our employees.

This annual Sustainability Report, and the [high-level executive summary](#) we produce, are also designed to engage employees and inform them of our efforts in our most material sustainability issues. The summary is distributed to employees who receive the @Ford magazine. Employees who are more engaged in sustainability can help us further advance our goals.

For our hourly employees, we work closely with their unions to develop agreements and governance plans over changes in our operations (e.g., reorganizations, plant shutdowns, employee transfers and reductions). Joint labor/management committees are set up at each plant to give employees an opportunity to influence working conditions and practices. Manufacturing operations rely on an aligned and capable organization to engage teams of hourly workers. They strive to build cars and trucks that are "Best in World" and constantly look for opportunities to improve our processes and products.

For our salaried employees, most of whom are not covered by union agreements, we have a strong Code of Conduct and comprehensive Policy Letters and Directives covering topics, including diversity, relevant to our employees. We also practice regular two-way communication with all employees through webcasts, executive Q&A sessions between senior leadership and staff who wouldn't typically have face-to-face meetings with top-level management, quarterly "town hall" meetings, manager-to-employee business cascades, surveys and informal communications. We survey our salaried employees twice annually using the Global Pulse and Engagement survey.

Our employees are also our customers, and they can be strong ambassadors for our products. In Michigan, information sessions called "Go Further Employee Events" are held to give employees the opportunity to view, learn about and test drive yet-to-be-released vehicles. This lets the employees see how our products are meeting the needs of customers, while providing factual information about the vehicles. Our employees can then promote the vehicles to their friends and families, which, in turn, can increase sales and help to strengthen the Ford brand.

Our Employee Resource Groups also conduct a number of events and initiatives each year to engage our employees, provide product insights and reach out to our communities. (See the [Promoting a Diverse and Inclusive Workforce](#) section for more on these groups.)

We believe it's important to engage our people within the communities in which we operate. Each year, we offer ways for thousands of our employees and retirees to participate in volunteer programs. We see these programs as not only critical to helping those in need, but pivotal to inspiring and energizing our employees around volunteerism and community service. Through these community initiatives, we support teamwork and build a sense of shared purpose and commitment. For more

information, see the [Communities](#) section.

Engaging Employees, Engaging Families

What's one good way to engage employees? By sharing work experiences with loved ones. The Chicago Stamping Plant's Diversity Team recognized that manufacturing employees seldom have the opportunity to share their work with their families. So they created a new campaign "Bring Your Work to Your Family" – a riff on "Bring Your Kids to Work Day." A prime feature of the campaign was a book they produced called "The ABCs of the Chicago Stamping Plant," which covers all aspects of the plant from A to Z. The book also includes family recipes, family trees, historical facts and many pictures, along with an article on the plant's longest-tenured UAW¹ employee. The plant also organized a Family Fun Day and Open House that gave families an opportunity to check out the plant first-hand – something most of them had never been able to do. The event included a plant tour, monster truck exhibition, old and new vehicle displays, a kid's fun area and musical entertainment.

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1. UAW originally stood for United Auto Workers; the full name today is the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.



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Leadership Development

Employee development is crucial to delivering our vision of building great products that contribute to a better world. The most important thing we can do is stay focused on creating a skilled and motivated work force. We do that by investing in our employees, strengthening their technical and leadership skills and recognizing them for delivering results that cultivate success. Our company is in growth mode, making it even more essential for us to expand the capabilities of our people. Our vision is to be recognized for world-class learning and development excellence.

In 2013, we assembled a team to determine our learning and development strategic priorities and structure for a truly global learning organization. As a company with operations around the world, we need certain standards and processes for developing leaders who can take Ford to the next levels of performance. We have been standardizing, simplifying and integrating talent-management processes; implementing global competency frameworks; and enhancing leadership development programs for experienced managers.

In growth markets such as Asia, we need [a hands-on development approach](#) that is integrated with our human resource (HR) talent management system as we look to develop a pipeline of talent.

We want to create a learning culture, where employees are able to continuously learn new things and adapt to change. Anywhere from 70 to 80 percent of what we learn is not in a classroom. Because of that, we focus on “blended learning,” which is a combination of classroom, self-study, relationships and experience.

We have developed a new set of competency frameworks to help Ford salaried employees determine where they are in their development and to map out individual plans for themselves to improve their capabilities. Individual Development Plans, or IDPs, enable employees to meet current and future goals while maximizing performance in their current assignments. Using the IDP, employees work with their managers to help them identify strengths and areas for improvement, and then create customized plans for their individual developmental needs.

The competency framework is a part of our efforts to build a culture of continuous improvement, with employees taking active roles in their own professional development and the success of our business.

We provide a comprehensive range of learning and development resources that align with One Ford and the key competencies required to support each functional area. These resources include virtual, Web-based and classroom training, experiential learning, special projects, task forces, mentoring and coaching, social networking, team “lunch and learn” and other similar workshops. All of these seek to foster functional and technical excellence, encourage teamwork, promote Ford values and enhance our ability to deliver results.

Development at Ford falls into two categories: functional/technical and leadership. Each skill team/function offers learning solutions tailored to their skill team/functional competencies. We offer global leadership development programs, including the following: the Global Leadership Summit, which is aimed at executives and general managers; the Global Executive Leadership Program, which is geared toward directors and senior managers; and the Experienced Leader Program, aimed at middle management. We also offer the Salaried Supervisor Institute/Program (SSI) for new or experienced leaders who want to enhance their One Ford skills. One Ford is designed to build our employees’ individual capability as well as our organization’s capability to drive the business forward.

All of our leadership programs focus on the following key areas:

- self insight

- developing others
- team effectiveness
- building relationships
- operating in a global environment
- creating a leadership environment

Similar to our vehicle development strategy, our learning and development strategy has been to leverage our global scale and standardize as much as possible at all levels of the organization.

One of our key principles is that development is for all employees. Across our global manufacturing operations, we offer standardized “Process Coach and Team Leader” training to equip our front-line production leadership with the competencies needed to successfully foster teamwork, and achieve plant and business goals and objectives.

Easing Toward Retirement

The Phased Retirement Program (PRP) was first piloted in 2011 and has been offered in the U.S. each year since. The voluntary program allows retirement-eligible employees to work halftime at full pay for a period of six months immediately prior to exiting the company. The program is an effective tool for mentoring and transferring important knowledge while transitioning employees into retirement.

One retiring employee who participated in the program in 2013 called PRP “a great way to prepare for the future while I left the company I love.” His manager, meanwhile, found it equally beneficial.

“Because this role is unique within Ford, it was especially important to have a successful handoff, and PRP was a key enabler,” she said.



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Diversity and Inclusion

Henry Ford saw the wisdom of creating a diverse work force, long before such a concept was embraced by other business leaders. A century later, we continue to attract a highly skilled work force that reflects diversity across culture, ethnicity, race, perspective, age, religion, physical ability and sexual orientation. We are committed to the advancement of women and minorities in our operations.

Throughout the history of Ford Motor Company, inclusion has been as much a part of the company's success as the products our diverse employee base has created. Ford is a leader in diversity and inclusion, and both remain key business strategies. Our diversity makes us a better and stronger company, by bringing in fresh ideas, perspectives, experiences and life responsibilities, and by fostering a truly collaborative workplace.

In 2013, approximately 27 percent of our U.S. work force (including both hourly and salaried) were members of minority groups and 22 percent were female. Among our global salaried work force, 74 percent were male and 26 percent were female. Among managerial positions globally (defined as middle management and above), 17 percent were female. More information on our U.S. work force by minority groups and gender can be found in our [Engagement and Community data](#).

On our 16-member board of directors, two are women and two are members of minority groups. Of our 42 corporate officers, four are women and eight identify themselves as minorities.

In recent years, Ford has received hundreds of diversity awards from a wide variety of publications and organizations that recognize the value we place on building a diverse and inclusive culture. Our employees also recognize Ford's efforts in this area. According to our 2013 Pulse survey, 87 percent of our workers globally believe Ford's management is committed to diversity. This is up from 86 percent in 2012 and is one of the highest scores on Pulse survey topics. On the global hourly survey, 71 percent responded favourably to the question: "Having a diverse work force contributes to the company's success."

If we want to continue delivering market-leading features and technologies that will appeal to an increasingly diverse customer base, we must ourselves reflect that diversity. Serving a global customer base requires employees with different viewpoints and perspectives, all working together as members of a skilled and motivated team.

In the U.S., for example, female buyers are outpacing males among the millennial generation – the first time that has ever happened. Women account for 55 percent of all millennial purchasers, compared to 40 percent among the baby boomer generation. Our research indicates that women in key developing markets will follow, resulting in millions more female customers around the globe.

At Ford, we are focusing on women as a key demographic as we launch our biggest product expansion in our history – 23 new or significantly refreshed vehicles to market in 2014, including 16 in North America. We especially need talented women to develop and market our vehicles if we want to reach this key demographic.

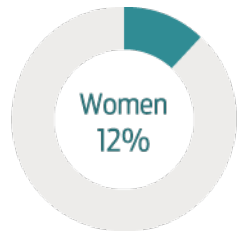
Read more about [Ford's history of diversity and inclusion](#).

Board of Directors

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Promoting a Diverse and Inclusive Workforce

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, a diverse and inclusive environment fosters skilled and motivated people working together globally to drive business results in support of One Ford.

We integrate our diversity strategy into our business through the following strategic areas of focus:

- Leading the way** – The executive leadership team, led by our CEO, champions diversity and inclusion at Ford. To enable us to work together effectively across the global enterprise, the leadership team ensures that diverse perspectives are integrated into business objectives and key human resources processes.
- Supporting our diverse work force and strengthening our external partnerships** – Ford currently supports a number of employee networks, including 11 Employee Resource Groups (ERGs) that help to foster diversity and inclusion. These include groups for employees of African ancestry; 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 transgender employees; and the Ford Interfaith Network, which brings together separate affinity groups for Christians, Jews, Muslims, Hindus and other faiths. A number of the groups have chapters in our business units throughout the world. In addition to supporting our employees, these ERGs organize community volunteer activities and provide us with an opportunity to better understand the consumer needs and wants of individuals of diverse backgrounds. Some of their recent initiatives include mentoring students from local schools, assisting the homeless and sending care packages to our military overseas. Our Ford Hispanic Network, for example, partnered with Ford Credit to teach financial literacy workshops in local high schools and community organizations. Our Veterans Network participates in veteran career fairs and works with the Wounded Warrior program.
- Fostering a respectful and inclusive environment** – Ford's commitment to inclusion is incorporated into One Ford expected behaviors and communicated in ongoing forums such as "town hall" meetings and training. Every year since 1999, we've held a Global Diversity & Inclusion Awards nomination process to recognize individuals and teams who have exhibited the inclusive One Ford behaviors critical to our success as a company. Winners are recognized by their leaders and highlighted in our internal newsletters and social media sites in a year-long process. The participation of our employees from around the world in this nomination process continues to grow. For 2013, our CEO and other senior executives honored 36 teams and individuals from Australia, Brazil, China, Germany, India, Mexico, Spain, Taiwan, Thailand, Venezuela, the U.K. and the U.S.
- Supporting work/life flexibility** – We encourage employees and managers to discuss both business and personal goals. Work/life flexibility creates a competitive advantage and addresses the needs of our global, multi-generational work force. Ford Digital Worker is a global information technology program that supports One Ford and enhances employees' ability to work remotely. Ford's efforts to provide employees with tools such as WebEx, Instant Messenger and enhanced mobile access capability have increased employee productivity and satisfaction. Flexibility solutions vary depending upon locations, teams and employees. Examples include the following:
 - In the U.S., a significant number of the salaried work force occasionally uses "flextime," which allows employees to vary their daily work times. We have approximately 3,000 employees on formal work programs that involve telecommuting, part-time work and compressed work arrangements. Many more employees develop informal arrangements with their supervisors for occasional work-from-home opportunities. Our Flexible Work Network

provides “flex mentors” to help advise employees on effective ways to work differently.

- In Europe, we offer a variety of flexible working patterns. In the U.K. and Germany, for example, we support part-time working and telecommuting and, at some locations, offer child-care facilities for the children of our employees.
- In Canada, our many programs include “Summer Hours,” which give employees an opportunity to work with their managers to identify a compressed work-week schedule during the summer months.
- Several countries within Ford South America have established programs aiming to leverage work/life flexibility, including flexible work locations.

Other employee resources include employee assistance programs, “mothers’ rooms” for nursing mothers in some of our global locations, meditation rooms and wellness initiatives.

Policies and Grievance Procedures

Ford Motor Company is an equal opportunity employer committed to a diverse and inclusive work force. We have long-standing policies clearly stating that discrimination or harassment in the work environment because of race, religion, color, age, sex, national origin, disability status, sexual orientation, gender identity or protected veteran status is a violation of the company’s nondiscrimination policies, and Ford has a commitment to zero tolerance of this type of behavior. These policies apply to all individuals, including part-time and supplemental employees, and agency resources. 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 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 Code of Human Rights, Basic Working Conditions and Corporate Responsibility (Policy Letter #24) directly addresses the issue of respect and inclusion, as do the following additional global Policies and Directives:

- 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”

Across the globe, a number of internal avenues are available to employees who wish to make and/or document a complaint. These processes are communicated to all employees through the Open Door policy, which is explained in Policy Letter No. 2, and through various policies posted online. The Open Door process, available to all employees, facilitates the resolution of work-related issues. These avenues include:

- 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 Personnel Relations at World Headquarters in Dearborn, Michigan;
- Calling a hotline, through which concerns may be raised; and
- In the U.S., using peer review, which is an internal alternative dispute resolution process.

Also in the U.S., the company has long-standing, strong relationships with the U.S. Equal Employment Opportunity Commission and state civil rights agencies. 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 and harassment in the workplace.

Within the U.K. we have a highly robust, comprehensive Dignity at Work policy that sets out the expected standards of behavior and what steps can be taken if there are infringements on the high standards. All employees are trained on the content of the policy, with further training for supervisors and managers who investigate allegations of harassment and/or bullying.



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Diversity and Inclusion Awards

We have received hundreds of awards in the last few years from publications and organizations that recognize the value we place on our employees and our ability to work inclusively. Specific diversity awards given in 2013/14 include the following:

- America's Ideal Employers – Unversum
- Best Companies for Diversity – *Hispanic Business Magazine*
- Best of the Best – *Hispanic Network Magazine*
- Best of the Best – *Professional Women's Magazine*
- Best of the Best – *U.S. Veterans Magazine*
- Best of the Best – Top Diversity Employers – *Black EOE Journal*
- Best Places to Work – Human Rights Campaign
- Corporate 100 – *Minority Business News*
- Corporation of the Year – Asian Pacific American Chamber of Commerce
- Top 100 Employers – *Latino 100*
- Top 50 Employers – *Equal Opportunity Magazine*
- Top 50 Employers – *Minority Engineer Magazine*
- Top 50 Employers – Workforce Diversity for IT & Engineering Professionals
- Top Corporation for Women Owned Businesses – Women's Business Economic National Council
- Top Corporations – *Women's Enterprise USA Magazine*
- World's Most Attractive Employers – Unversum
- World's Most Innovative Companies – *Fast Company*

For a listing of corporate responsibility and governance awards for our company, see the [Awards and Recognitions](#) section.



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Workplace Health and Safety

Ford Motor Company Vision for Health and Safety

Our vision is to achieve zero fatalities and no serious injuries, and to protect and continually improve the health of our work force.

At Ford, we aim to create a safe workplace with zero fatalities and no serious injuries. We want to demonstrate leadership in safety – not just within manufacturing, but within all industries around the globe. We have made strong and steady progress, with overall injury rates dropping to a tenth of the levels of 1999, when we revamped our formal safety program. But we're still not where we want to be, and we know we have more work to do.

Our top executives and managers remain committed to ensuring that our people stay safe and healthy while working as part of our One Ford team. We have adjusted management compensation to be more heavily weighted to drive safety culture improvements. Our Board of Directors, for example, reviews our company's health and safety performance as part of CEO Alan Mulally's annual assessment.

Safety is integrated into all aspects of our business. Our Safety Operating System (SOS), which is part of our overall manufacturing strategy, provides for the health and safety of our employees through empowered teams of people working together. Safety is one of the core components of the Ford Production System, along with quality, delivery, cost, people, maintenance and environment. A strong safety record is good for our employees and good for our business.

In recent years we have been especially focused on changing the work force culture within our plant operations to ingrain the importance of safety in all of our people, no matter their role. We're leveraging the One Ford philosophy of working together, caring for each other and creating a supportive environment.

We know that to manage health and safety effectively, we must maintain good relationships with all stakeholders. Globally our unions 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. In the U.S., formal partnerships among Ford, the UAW¹, the U.S. Occupational Safety and Health Administration and its state counterparts are a visible example.

The "health" part of health and safety remains a key driver for Ford. We recognize the impact that health issues such as heart disease, diabetes, smoking and obesity can have on the well-being of our employees, as well as on the cost of providing health care to our work force in the U.S. 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.

For more about our workplace safety systems, see the corresponding pages on [Health and Safety Governance](#); [Safety Culture and Accountability](#); [Safe Conditions](#); [Health as a Strategic Advantage](#); and [Our 2013 Safety Performance](#).

1. UAW originally stood for United Auto Workers; the full name today is the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.

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Health and Safety 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 and clinical operations.

Often 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 also have a global process to ensure that all materials used in our factories are safe for our people. [Learn more about our materials management processes.](#)

We review safety regularly at the plant level and in regional OHS committees. Our president and CEO, and our senior operating team, review safety performance as part of their regular business plan reviews, as does the global Manufacturing Operating Committee.

Within manufacturing we use an assessment process that is aligned with the Global Ford Production System. The process includes an integrated assessment that evaluates safety, quality, delivery, cost, people, maintenance and environmental operating systems, while recognizing their interdependencies.

Non-manufacturing 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 basic audit review program.

Ford faces workplace health and safety challenges similar to those of many multinational manufacturing companies. These challenges include establishing and reinforcing high, common expectations for the safety of our employees and our contractors worldwide. Most of our manufacturing facilities have joint union/management safety committees that guide the development and implementation of safety programs in their operations. At least 75 percent of the company's work force globally are covered by local health and safety committees. This includes the entire manufacturing work force and some staff organizations.



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Safety Culture and Accountability

We've been able to make some significant improvements in the safety of our operations over the last decade, with a substantial decline in the rates of injuries. We have improved our management systems, engineered out known safety risks wherever possible, and augmented our training. But getting to the next level – and our goal of zero fatalities and serious injuries – means we must change the culture of our work force. Today, the major safety challenge at Ford is improving employee adherence to existing safety procedures and improving employee awareness to recognize and eliminate hazards.

In 2013, we marked our third consecutive year of zero fatalities among Ford employees. However, we unfortunately experienced three fatalities among contractors – one in Chicago, one in India and one in Russia. As a result, we are putting greater focus on changing the culture of safety not only of our own employees, but also of the service contractors we hire to clean our facilities, remove trash and scraps, cook meals in cafeterias and maintain equipment, among other outsourced tasks.

Contractor Safety Culture

We are pleased that we have not had a fatality of one of our own Ford employees for three consecutive years. Yet, we continued to experience service contractor fatalities and serious injuries on our property. It is unacceptable to us that anyone would be killed or seriously injured while working at one of Ford's locations.

Ultimately, safety is the responsibility of the service contractors we hire to perform certain tasks on our behalf. However, we believe we can do more to elevate the importance of safety among our service contract organizations. We want to be sure that the service contractors we hire – and there are hundreds of them worldwide – have the proper training and credentials and that they are making safety a top priority.

The service contractor fatalities in India and Russia occurred while individuals were doing routine activities. While we at Ford cannot directly control their actions, we can do more to push our service contractors toward the highest safety standards.

In 2013, we updated our required safety standards for service contractors so they are now similar to what we already use for construction contractors that we hire to build or renovate Ford facilities. We now require that each service contractor have someone accountable for safety at the contractor organization. And, we're now assigning a Ford employee to be the dedicated safety liaison and person responsible for each service contractor at each location.

We will put even greater focus on service contractor safety in 2014.

Changing Our Safety Culture

With our own employees, meanwhile, we continue to take a more emotional approach to safety, and we believe it's been making an impact. On December 26, 2009, one of our employees died in a tragic accident at Ford's Kentucky Truck Plant in Louisville. Ronald Cassady's death shattered the tight-knit plant and profoundly impacted our company.

The following year, we produced a documentary about Cassady – a 16-year Ford veteran who died of injuries after a 220-pound steel beam fell on top of him. The video, which was translated into multiple languages for required viewing by tradespeople at all of our manufacturing facilities, focuses on Cassady's friends, coworkers and family as they share the painful details of that horrific December day.

The video made a big impression on our people. And in the years since, we have

been producing more videos that tell real-life stories of employees who were injured – or who had a close call – on the job. Some of the “Faces of Safety” videos include images of a worker’s family to remind our people that when they ignore the rules of safety on the job, they’re not just putting themselves at risk – they’re putting the futures of their loved ones at risk too.

Our target audience for the videos is skilled tradespeople – the employee category that is at highest risk for serious injuries. These are the individuals who troubleshoot equipment, make repairs and retool the manufacturing lines during a plant shutdown. Eight of our last 10 fatalities – including Ron Cassady – occurred during maintenance activities. Approximately 20 percent of our employees are in the skilled trades. Yet they have represented 80 percent of our fatalities.

Many serious injuries occur during plant shutdowns or other intense periods of major change. In the U.S., shutdowns typically take place in December and July of each year as we prepare our facilities for new vehicle models. From 2011 through 2013, our shutdown periods showed excellent safety results.

As part of our cultural shift, we’re also now working more closely with the UAW¹ and use positive reinforcement to further encourage plant work teams toward safety successes.

Reinforcing Accountability

We establish accountability for health and safety performance through business planning, policy deployment 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 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 business unit leaders.

As our safety programs have strengthened, we have looked for ways to increase the accountability of all workers so they not only follow the rules and procedures for themselves, but they also look out for their coworkers. Our safety data demonstrates to us that the majority of injuries are the result of individuals failing to follow established safety protocols. We have increased training programs to ensure that workers understand what is required of them and to further build accountability into individual safety performance.

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 down 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.

Safety Surveys

For the first time in 2013, we conducted safety surveys of manufacturing employees in all of our U.S. locations. Sponsored and supported by a joint UAW-Ford initiative, the 15-minute survey from the National Safety Council (NSC) asks employees 50 questions related to their perceptions of safety at our company. We first began the survey on a pilot basis in 2012 in four locations. (Our Pulse survey, described below and in the [Employee Satisfaction](#) section, includes a standard set of safety questions for our global hourly work force.)

The somewhat shocking results of the 2013 surveys told us that employees do not think we’re doing as good a job with safety as we think we are. The NSC, which surveys 550 companies and has more than 2 million responses in its database, ranks organizations in relation to other survey participants. The survey results were a real wake-up call in comparison to the results of the best companies in the database. We are now analyzing the results to better understand why assembly workers have less positive survey results than workers at stamping, powertrain or transmission plants.

The survey results show us that our people perceive we aren’t doing enough to prevent injuries. We believe, however, that this perception stems from the fact that we are not doing an adequate job of communicating our safety improvements so our people understand how we have been improving processes to minimize risks.

Approximately 60 percent of all manufacturing employees filled out the paper-and-pencil surveys.

We also address safety questions in the general employee Pulse survey. 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 2013 Pulse survey show that the vast majority of Ford salaried employees – 88 percent, compared with 87 percent in 2012 – give safety a positive rating.

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1. UAW originally stood for United Auto Workers; the full name today is the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.



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Safe Conditions

Many factors contribute to safe working conditions, including 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. Our annual President's Health and Safety Award program is used to identify the global best practices for replication.

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. For example, we participate in a multi-industry group of companies that shares information and best practices on safety performance. Participants include several auto industry peers as well as companies in a broad range of industries, from health care to aerospace.

Meeting the Competition

The safety of our employees, contractors and visitors transcends the competitive spirit that exists at Ford, GM and Chrysler. In fact, the top safety leaders at each company routinely meet to discuss safety concerns, share ideas and develop methods to ensure people working in or visiting our facilities remain safe.



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Health as a Strategic Advantage

The continued good health of our work force and their families remains a priority for the company. Our approach to employee health and, in particular, U.S. health care, is rooted in our core business and our Employment Value Proposition. We are committed to the ongoing evaluation and improvement of programs that promote the good health, well-being, longevity and productivity of our work force. Our vision is knowledgeable, motivated people who stay well and receive appropriate, efficient health care services. Since families tend to share health habits – good and bad – promoting health among our employees contributes to healthier communities.

In the U.S., health care availability and affordability continue to be of concern, as demonstrated by the national health care reform effort. To mitigate our health care-related costs, maximize worker productivity and improve the overall health of our communities, we are committed to health and wellness programs that maintain or increase the health status of our employees and their families. We provide resources and tools to educate employees to help them make sound choices about health care services and coverage. This will help them become better health care consumers.

Salaried workers in the U.S. who participate in a health risk appraisal and meet with their primary care physicians to better understand their health status are rewarded with lower insurance deductibles. In 2013, more than 80 percent of salaried employees and retirees met the objectives of this program and increased their awareness of personal health improvement opportunities.

For our hourly work force, we are partnering with the UAW¹ and Southeast Michigan health care providers to pilot a two-year program called the Enhanced Care Program. The goal of the program is to provide care that treats overall health and leads to a better quality of life. Through a personalized care approach, the program looks for ways to help with current chronic, manageable health care needs (including asthma, diabetes, coronary artery disease, congestive heart failure and chronic obstructive pulmonary disease) and to prevent future problems when possible. The pilot is expected to help us deliver better health care to our employees while helping to lower total health care costs.

Participating patients have access to a personal health care nurse who works closely with a patient and his or her doctor to coordinate care and achieve the patient's personalized health goals. Patients can contact their personal care nurses by phone, email or in person – as frequently as needed and at no additional cost.

We expect 1,200 to 1,500 active UAW members and non-Medicare retired members to join the voluntary pilot.

We are also collaborating with other large payers, health plans and government agencies by:

- Participating in regional health care quality measurement and public reporting initiatives, with potential data sharing and funding assistance from the government; Promoting the development of health care initiatives that aim to improve or change the dynamic of the health care marketplace; and
- Developing new programs to improve the health of employees and family members who are affected by chronic diseases.

Globally, we remain committed to the One Ford health care strategy. Our goal is to build a culture of wellness that lets people perform at the top of their game at work, at home and into retirement. Our efforts are tailored to meet local health priorities and to ensure that our people receive quality health care when they need it. We focus on health screenings, educational programs and promotional campaigns. We use global health metrics (such as percentage of population at low, medium and high risk for disease) to assess the health of our work force and track the results of our programs.

Through our U.S. and global health initiatives, we are confident we will be successful in improving the health of our work force and managing our health care cost obligations in an efficient manner.

1. UAW originally stood for United Auto Workers; the full name today is the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.

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Our 2013 Safety Record

The year 2013 marked the third year since 1918 in which we did not have an employee work-related fatality. Tragically, however, we did experience fatalities of contractors in Chicago, India and Russia. Our primary objective remains zero fatalities on Ford property.

Overall, our safety record improved compared to 2012. A major safety indicator – the lost-time case rate – was at 0.44, a nearly 14 percent improvement from the 2012 rate of 0.51. We experienced 131 serious injuries among our direct and joint venture employees, compared to 139 the previous year. Most of these injuries should have been prevented.

While we are pleased that we did not have a fatality among any of our own employees, we recognize that we must remain vigilant. In 2013, we had 426 high-potential reported events that could have resulted in more serious consequences, but did not. Each of the incidents was investigated, resulting in many global preventive measures. While this number may seem high, we see it as a sign of higher organizational awareness of potential risks and a willingness to share information with others so the same events do not happen elsewhere.

We have been encouraging all employees to alert management to every injury or hazard, no matter how small, so that we can learn from every mistake, take corrective actions and create a safer workplace for everyone. We continue working in a collaborative way with the UAW¹ to change the culture so that individuals are motivated to take greater responsibility and ownership for addressing any safety risks and unsafe behaviors.

As we have rebounded from the economic downturn, our plants are making more vehicles than they were in recent years. Given the relative activity levels and relative rates of lost time and serious injury, our U.S. operations have the greatest opportunity for improvement of any of our locations worldwide.

We continue the process of upgrading our information technology to create a common global system for tracking workplace injuries, incidents and causal factors. Having a common system to record incidents will allow us to conduct much more detailed analyses of each event and, as a result, improve overall performance.

We're also continuing to work to develop a common global approach to the use of personal protective equipment. The new data-gathering system will allow us to make comparisons and analyze trends among injuries so we can identify which personal equipment result in fewer injuries.

For more information, see the [Workplace Safety](#) data page of this report.

Related links

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→ Data: [Workplace Safety](#)

Going Fork-Free

Forklifts pose one of the biggest hazards in a manufacturing plant. The risks can be many, including a higher potential for accidents when forklifts and people share the same travel zones within a facility.

We have made a commitment to go "fork-free" in our new assembly plants. In Thailand, for example, the \$450 million facility we opened in Rayong in 2012 was one of the latest to use trolleys instead of forklifts to transport parts to workers on the manufacturing lines. Other plants in Europe, Mexico and Chongqing, China, have also eliminated the use of forklifts. Our manufacturing plant teams are applying additional strategies and new programs to eliminate the need for a forklift to deliver any material to assembly production lines.

1. UAW originally stood for United Auto Workers; the full name today is the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.



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Dealers

Our dealers are a source of strength. They are a critical part of our success and important economic contributors to their communities. They represent the face of Ford to our customers and communities and provide employment, tax support, leadership and customer service. As of year-end 2013, our 3,263 Ford and Lincoln dealers in the U.S. employed 170,000 individuals, with an annual payroll in excess of \$7 billion. Worldwide, we had 11,772 Ford and Lincoln dealerships as of year-end 2013.

As part of our continuing efforts to improve the Ford retail customer experience and to create loyal advocates of our products and services, in 2013 we launched the Ford Trustmark Facility Assistance Program working collaboratively with our U.S. Ford dealers to improve dealership facilities. In addition, we continue to work with our Lincoln dealers to focus our mutual efforts on the transformational change necessary to meet the high expectations of the luxury customer, including upgrading dealership facilities and the services provided at those dealerships.

On average, U.S. Ford dealers were more profitable last year than in 2012, as higher demand for our new and freshened models increased new vehicle sales. U.S. Lincoln dealers were also more profitable on average than in 2012, with increased used vehicle, parts, service and body shop sales.

Engaging with Dealers

Dealer relations are a key priority for us. The Ford and Lincoln Dealer Council provides a forum for open dialogue between Dealer Council members and Ford. Through the Council process, dealers can voice their concerns, needs and ideas for working more productively as a team. Also, dealers annually identify their priorities, which are published along with Ford management responses, providing transparency to the discussions between the company and its dealers.

To ensure that communication lines remain open, Dealer Council members also participate as members of Ford's National Dealer Advisory Panels. The current Dealer Advisory Panels, and the topics they address, are as follows:

- **Commercial Truck Advisory Board (CTAB)** – sales, marketing and product programs
- **Consumer Experience Committee (CEM)** – consistency of consumer experiences across interactions with Ford and dealers, warranties and other consumer issues
- **Customer Viewpoint Advisory Panel (CVP)** – customer satisfaction rating system, Viewpoint survey
- **Dealer Product Advisory Committee (DPAC)** – current and future product cycle plan, including lineup, design, styling and color/trim options
- **Fixed Operations Strategic Advisory Board (FOSAB)** – fixed operations business growth opportunities such as service departments
- **Ford Credit Dealer Advisory Board** – vehicle financing and competitiveness
- **FordDirect Dealer Advisory Board** – new digital consumer lead products and services
- **Government Affairs Committee** – advice to Ford Motor Company's Government Affairs office on federal and state automotive legislative issues that have major implications to the business and industry
- **Marketing Dealer Advisory Board (MDAB)** – vehicle packaging strategy, advertising creative, incentive programs for Ford
- **Parts and Service Manager Advisory Committee (PSMAC)** – fixed operations programs, including employee recognition/retention
- **Retail Experience of the Future (REOF)** – online vehicle search engines, and

Related links

This Report

- Green Buildings

third-party aggregators (e.g. Google, Cars.com, TrueCar) of Web-based vehicle searches and sales leads

- **Training Advisory Board (TAB)** – dealership employee training and recognition.

The feedback gathered through these interactions has helped us develop programs, change policies and enhance processes to improve the customer ownership experience and other significant elements of dealers' businesses.

In addition to the feedback provided through the Dealer Council and advisory panels, 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. Approximately 54 percent of our Ford dealers and 52 percent of Lincoln dealers provided feedback through the summer 2013 NADA survey process. We remained consistent in many areas in this survey compared with our winter 2012 record improvements, including in our Regional Sales, Service and Parts Personnel rankings. In addition, Ford Motor Credit Company Capability rankings exceeded the industry and previous scores in nearly every category. Finally, Value of Franchise, Product Quality, Competitiveness, Policies and Procedures, and Vehicle Incentives also showed favorable results.

Dealer Diversity

Diversity and inclusiveness are part of Ford's DNA, and growing a strong minority presence in our dealerships remains a key focus. At year-end 2013, Ford had 164 minority-owned dealerships, which represents 5 percent of our 3,263 U.S. Ford and Lincoln dealerships. At Ford, we continue to work with our Ford Minority Dealers Association (Ford MDA) to sustain and strengthen the current minority dealer portfolio with dedicated resources to increase profitability. Together we are directing efforts toward growing the minority ranks of dealership management and employment to better reflect the community and to facilitate a greater number of future Minority Dealer principals.

Dealer Sustainability Program

We are continuing to expand the "Go Green" Dealer Sustainability Program we launched in 2010. The goal of the "Go Green" program is simple: to collaborate with dealers to implement cost-effective ways to improve the energy efficiency of their facilities. To enter the program, dealers undergo an energy assessment to identify opportunities to reduce their overall carbon footprint and lower their energy costs.

Dealers can participate in the "Go Green" program through the Ford Electric Vehicle (EV) program. As we expand our EV offerings and certified dealer network, dealers can undergo a "Go Green" energy assessment as part of the process of becoming a certified EV dealer. Beginning in 2013, dealers can also participate through the Ford Trustmark Facility Assistance Program, which encourages and assists dealerships in upgrading their physical operations to the new "Trustmark" branded Ford facilities. Through the "Trustmark" program, dealers undergo an energy assessment as part of the approval process for obtaining renovation assistance from Ford Motor Company.

Ford established an Energy Team to manage the energy assessments, and we partnered with Harris Lighting and New England Energy Management (NEEM), Inc. – global leaders in energy consulting – to complete the actual assessments. The Ford Energy Team also reviews the dealerships plans for their new facilities.

As of the end of 2013, nearly half of our 3,263 U.S. dealers had enrolled in the "Go Green" program as part of the EV and "Trustmark" programs. Through the "Go Green" energy assessments performed, dealers realize the tremendous opportunities that exist for implementing green technology and achieving significant annual cost savings.

For more information on Ford's EV dealer certification process, please see the [Electrification section](#).



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Salute to Dealers

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. These remarkable honorees and nominees are selected from a field of thousands of Ford and Lincoln dealers across the globe.

Ford is very proud of the contributions made by the dealers who are nominated for this award and the 100 men and women who have been selected as Salute To Dealers honorees since the program's inception. 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.

Our 2014 awards recognized the following dealer principals for their unparalleled generosity and commitment to their communities:

Randall L. Reed, Randall Reed's Planet Ford, Humble, Texas, U.S.A.

Randall Reed is very passionate about supporting his community and believes that he should focus on giving back at every available opportunity. His humble beginnings are a driving force for that commitment. Reed is a huge advocate for the needs of children and local education, having donated his time and unending resources to the Humble ISD Education Foundation. One example is his Teacher of the Year award that provides a new vehicle to the deserving winner. Reed is now expanding the program to eight different cities. When an elementary school playground burned to the ground, he donated the funds to rebuild it. Reed's support for the school district's special needs students includes donating computers and vehicles to a program where teens with disabilities are mentored by high school students. His community outreach extends to a local project that provides funds for mammograms for women who otherwise could not afford them. Additionally, he raises much needed funds for the Village Learning Center, which offers essential services for young adults with disabilities and their families. Randall Reed's generous spirit of giving and caring has set a commendable example for others in and around his community.

Sujeet Singh Gehlot, Gehlot Ford, Ajmer District, Rajasthan, India

Sujeet Singh Gehlot and his wife Pratibha are dedicated to supporting a number of important charitable and social causes in their region. Their motto in life is "always be ready to help the needy." One example is their involvement, including hands-on and financial support, for Shubda, a special school that offers a variety of activities for mentally challenged children including vocational training. Their work there has helped in shifting the attitudes of local citizens about the potential these children possess. They have been instrumental in helping impoverished children to obtain a better education at a State Primary School by providing essential supplies to the students. The Gehlots also secured and help maintain a large water tank for drinking water for the students, which aided greatly in the school's day-to-day operations in an otherwise water-strained region. They established a Thalassemia foundation for children affected with this rare blood disorder. Personal inspiration for this cause comes from their son, who also suffers from this disorder. Other local efforts include the construction of, and ongoing support for, an old-age home, local blood donation drives and many activities of the same type. Their work with these and countless other charitable endeavors, typifies the Gehlots focus and compassion for giving back to their community.

William J. Kindle, Kindle Ford-Lincoln, Cape May Court House, New Jersey, U.S.A.

Bill Kindle is a devoted and long-time supporter of local organizations, national charities and families in need. He is actively involved with the HERO Campaign for Designated Drivers, a foundation that seeks to end drunk-driving tragedies by promoting the use of safe and sober designated drivers. Every year his dealership

supports the HERO walk fundraiser, attracting thousands of people and critical funding for the organization. Kindle is also dedicated to preserving the marine mammal population. Every year, he sponsors a motorcycle ride to save turtles from being run over by cars during the hatching season. He also supports the Marine Mammal Stranding Center which responds to thousands of calls for distressed whales, dolphins, sea turtles and seals. Kindle's love of flying is more than just a hobby. He is a volunteer pilot for Angel Flight Northeast, an organization that provides free air transportation to families in need of critical medical care. Everything from fuel to expenses, as well as his time, is donated by Kindle. Other activities include volunteering the use of his dealership for drive-thru flu shots, fundraising for the Boy Scouts and donating vehicles to disadvantaged families in the community. Bill Kindle is selflessly committed to making a difference in the lives of residents along the southern New Jersey Shore.

Cam Clark , Cam Clark Ford, Airdrie, Alberta, Canada

Cam Clark has unwavering passion and commitment to the local community as shown by his lengthy list of charitable contributions, and his dedication of time and resources to the many causes he supports. He is particularly interested in helping the youth in his area. Clark is actively involved with the Kids Cancer Care Foundation of Alberta and contributes both to the Boys & Girls Club of Airdrie and Stephen's Backpacks Society for children in need, both local causes which ensure that children are provided with an opportunity to succeed. He also partnered with the Rocky View School Division to create a Mechanics Training Center at his dealership which provides educational opportunities to students sharing a passion for automotive mechanics. Clark's generosity included a significant donation to help create a Community Learning Center. The Center provides learning experiences to children of all ages and offers critical services like child and family support, day care and before- and after-school care. Clark also contributes to Ups and Downs – Calgary Down Syndrome Association, an organization that provides a medium for families with children suffering from Down syndrome to unite, share experiences and work together to advocate for rights and acceptance. He also served as a director for the Calgary Stampede, a very special event that typifies western heritage and values. Cam Clark has immersed himself into the Airdrie community, displaying a rare compassion for giving that is a model for others.

Randy Nehring, Sioux Falls Ford Lincoln, Sioux Falls, South Dakota, U.S.A.

Randy Nehring and the dealership team make giving back to the community of Sioux Falls a priority within the dealership. A cause they are very committed to, through various organizations, is the fight against cancer. One example is their involvement with Be Bold Wear Gold campaign with the Children's Miracle Network. This organization unites families in the fight against childhood cancer, and raises awareness of the importance of finding a cure. Another event the dealership has had a long-standing, active involvement with is the Avera Race Against Breast Cancer, an annual 5K event that raises funds for equipment, research, education and patient services for those battling the disease. They also continue their commitment with a fundraiser, The Big Grape, which is an annual wine and food event that raises money for pediatric oncology. A 10-year commitment for the cause demonstrates their dedication in the fight against cancer. As a family business, children are an important cause for the dealership to support. Along with active involvement in the foundation, the dealership is a generous donor to Make-A-Wish, an organization that grants special wishes to children with life threatening illnesses throughout South Dakota. The dealership, as well as the Nehring family personally, sponsors Wish children annually. They remain involved with the foundation by contributing to fundraising events throughout the year, such as a local golf tournament. Randy Nehring believes that giving back to the community where his family plans to live forever is a gift, the gift of giving.

Divonsir (Zico) Cardoso, Autoeste Veiculos Ltda., Foz do Iguacu, Parana, Brazil

Divonsir Cardoso is a tireless advocate and supporter of numerous social causes in his community. One of these is his commitment to re-socializing incarcerated prisoners and adequately preparing them for their return to society as meaningful contributors. Cardoso's involvement includes sponsoring a technical training program, building a library and supplying computers and other critical supplies. Mr. Cardoso has also been instrumental in supporting Uopeccan, a cancer hospital in a nearby city, through his tireless fundraising efforts with other entrepreneurs in the region as well as his personal visits to the hospital. He also makes significant financial donations to Lar Dos Idosos, a home for the elderly. Not only does he donate money to this home, he actively participates in their many events. He also participates in the Association BEIT ABBA, for recovering addicts of alcohol and drugs. Mr. Cardoso is involved with the St. Vincent de Paul Society, Casa de Maria School and with initiatives that alleviate the suffering of others, especially the socially and economically disadvantaged. Mr. Cardoso's compassion for giving is ever-present and a true model for others in his community.



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Communities

With the same excitement with which we release products, we provide support to the communities in which we live, work and play. Our community support remains independent from, but aligned with, our company goals and our One Ford plan. One of the outputs of One Ford is to build a better world, and so reaching out and providing assistance to our communities is an essential part of what we do.

Ford has been supporting community efforts since our founding more than 100 years ago. For us, it is not just about donating money. It's also about building partnerships and working with others to address the difficult challenges so many people are facing. Our community activities are guided by the same sustainability and business priorities that also guide our business, including water, human rights and driving safety. We also focus on helping communities meet basic needs (such as food and shelter), supporting development programs, aiding with emergency and disaster response, and assisting in improving educational opportunities. We believe, as Henry Ford did when he founded Ford Motor Company, that our company is only as strong as the communities where our employees and customers live and work.

This section describes our approach to [community engagement](#) and [investing in the communities](#) in which we operate.



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Engaging with Communities

To create and sustain an effective community relations function, we look at the needs of the communities in which we operate around the world and focus on those needs. We also recognize that we must embed community issues into our core business practices and manage them with the same rigor as other aspects of our business.

Several trends have reshaped our industry and our company in recent years, including increased competition globally and changing markets for our products. The bulk of future sales growth is expected to occur in emerging economies. In response, Ford is increasing its footprint in emerging markets: We are expanding or building new plants at seven locations in the Asia Pacific region and we are hiring employees across that region. Ford and other companies are also expanding our supply chain in these lower-cost emerging markets. 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 recent years, we have taken steps to develop a more integrated approach to managing the different dimensions of our community involvement. Our goal is to more closely connect our traditional community relations programs, community impact assessment processes and key sustainability priorities such as human rights, access to water and driving safety. To address these changes, we have refocused our community efforts to reflect the global nature of our business, while recognizing that Michigan is our headquarters state and will always remain an important part of our focus. (Please see "Expanding Our Global Reach" for more information on how we are globalizing our approach to community projects.)

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 not only as a core operational issue, but also a key to maintaining the trust and respect of local communities. That trust is critical if we want to continue to operate and sell our products in those locations. In 2003, we released our Code of Basic Working Conditions reinforcing that our behaviors and actions as a company must include a focus on issues outside the walls of our plants and facilities. This Code is formalized as part of our business practices as Policy Letter 24: Code of Human Rights, Basic Working Conditions and Corporate Responsibility. It addresses important working conditions and human rights issues including working hours, child labor, forced labor, engagement with communities and indigenous populations, bribery and corruption, and environment and sustainability. We assess Ford owned and operated facilities on several key community issues and evaluate engagement with members of the local community. (See the Governance section for more on this topic.) Policy Letter 24 also extends to our supply chain by enforcing similar policies for our suppliers and their subcontractors consistent with our Global Terms and Conditions for suppliers. (See the Supply Chain section for more information on this topic).

As we expand into new markets in more water-stressed regions, we are also expanding our engagement with local communities on water issues. We have developed a comprehensive water strategy based on both environmental and social risks and opportunities in local communities where we operate. For more information on this topic see the Water section of this report. Over time, we also want to link all of these efforts with our development of new products and services to meet the unique mobility needs of communities in emerging markets. (See the Mobility section for more on this topic.) In our view, this approach will not only increase efficiencies, but also maximize our impact and effectiveness.

Related links

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As we seek to embed these and other key issues and values into our business practices, we are also giving them life through our investments in communities through strategic contributions and volunteer efforts. For example, our commitment to human rights isn't just a corporate policy governing our business practices, it is also the driving force behind many of our community projects. Baby Safe, a project we helped fund in South Africa, provides one example. Through this project, we helped to fund an anonymous system through which mothers can safely leave babies they cannot care for with organizations who can care for them and help find them homes. Before the Baby Safe program was implemented, unwanted babies were frequently left to die. The remainder of this section, which describes our community investment programs and projects, helps to illustrate how we are following through on our One Ford commitment to contribute to a better world through our philanthropic and volunteer efforts.

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Investing in Communities

Ford Motor Company has a long legacy of compassion. More than 100 years after the company began, we continue to touch lives. Our commitment to supporting local communities through strategic investments and volunteer efforts has remained unwavering.

Investing in communities is more than the right thing to do; it's also smart business. Our global company is only as strong as the local communities in which our employees and customers live and work, so it is in our mutual interest that we work with communities to make meaningful contributions to improve the quality of life. For example, our volunteer efforts help to build stronger communities, which in turn strengthen local economies. In addition, community projects help to strengthen the name of Ford and enhance purchase consideration for future buyers. Supporting volunteerism among our employees also helps to build workplace morale.

We invest in communities in three primary ways: through direct corporate charitable giving, through our company's community relations arm (formally known as Ford Motor Company Fund and Community Services), and through the Ford Volunteer Corps, which organizes the volunteering efforts of thousands of Ford employees and retirees across our global operations.

In 2013, Ford contributed \$37.7 million (over \$7 million more than in 2012). Of that amount, \$26.3 million was in the form of grants awarded by the Ford Motor Company Fund; the remainder was direct corporate giving.

Related links

Ford websites

- Ford Motor Company Fund and Community Services
- Ford Volunteer Corps

The Ford Motor Company Fund and Community Services

The Ford Motor Company Fund and Community Services (or Ford Fund) is a nonprofit organization responsible for the company's philanthropy and volunteer efforts. It is funded by contributions from Ford Motor Company. The goals of the Ford Fund today are the same as they were when Henry Ford II founded it 60 years ago: to support programs that effect change in our communities and improve the quality of life in the communities in which Ford does business. It supports organizations in four strategic areas: driver safety, education, community life and corporate volunteerism. In 2013, we increased our focus on water-related projects in support of Ford's overall [water strategy](#). For examples of the Ford Fund's programs and projects in 2013, please see [Ford's Community Projects Around the World](#). (The Ford Foundation, meanwhile, is a separate entity from the Ford Motor Company. No member of the Ford family nor Ford Motor Company management is on the Ford Foundation Board of Trustees.)

Ford Volunteer Corps

We encourage our employees to participate in programs that build stronger communities through the Ford Volunteer Corps. Volunteerism has been an integral part of Ford Motor Company since its creation in 1903. The Ford Volunteer Corps operates across six continents to strengthen the communities in which our employees and customers live and work. Ford Motor Company offers its salaried employees two paid workdays per year to volunteer in the community. Since 2012, the Volunteer Corps has included both salaried and hourly employees. We are in the process of expanding the Ford Volunteer Corps program to include Ford's UAW¹-represented work force, adding another avenue to these employees who already have a long tradition of volunteering through other channels.

During 2013, some 25,000 Ford employees and retirees in 31 countries and 16 states provided more than 150,000 hours of work

on more than 1,400 community service projects – the equivalent of \$3.5 million of in-kind corporate contributions. Many of these volunteer projects received mini-grants from the Ford Fund to help complete the projects.

The Ford Volunteer Corps sponsors activities all year, and around the globe. However, we also seek to focus our efforts through two intense volunteer programs: Ford's Global Week of Caring and our four annual Accelerated Action Days.

Global Week of Caring

Ford's Global Week of Caring is one of the cornerstone programs of the Ford Volunteer Corps. It includes a week of volunteer events across all of Ford's operating regions. In 2013, our eighth year with this program, over 13,000 Ford employee and retiree volunteers participated in nearly 300 projects in 31 countries and 16 U.S. states. Ford contributed \$315,000 in grants to help fund supplies needed by volunteers to complete their projects. This year's Global Week of Caring included building temporary shelters for homeless children in China, renovating a community youth center in Germany, providing clean drinking water facilities in disadvantaged parts of India and South Africa, participating in environmental restoration activities in Australia, as well as a range of community, education and environmental projects in the U.S. Specific projects are described by region in the interactive project map above. For examples of some of our Global Week of Caring projects in 2013, please see [Ford's Community Projects Around the World](#).

Accelerated Action Days

Accelerated Action Days (AAD), another key program of the Ford Volunteer Corps, are concentrated one-day volunteer efforts to meet critical needs identified by our nonprofit partners. In 2013, we held four Accelerated Action Days that included over 1,000 Ford volunteers in 12 states and approximately \$200,000 in donations to support their projects. Additional highlights of the 2013 Accelerated Action Days include the following:

- On our hunger-focused AAD, more than 600 Ford volunteers cooked and served meals, sorted food and stocked shelves, and made deliveries to feed individuals in need in partnership with nonprofit food banks, shelters and care centers. This day also included a coat and jacket collection drive for children.
- During our community and environment AAD, Ford volunteers planted community gardens, restored natural areas for wildlife habitat, and assisted in environmental education projects. This day also included an e-waste collection drive.
- As part of the children and families AAD, more than 600 Ford volunteers painted shelters, renovated homes and family centers, and built storage facilities for a wide range of nonprofit organizations among other activities. This day also included a drive to collect disposable diapers and formula for families in need.

On our community-building AAD, Ford volunteers refurbished parks and public spaces, built and rehabilitated homes and residential facilities, constructed playground equipment and play spaces, and did other community-building projects at partner nonprofit organizations.

In addition, we help to maximize the effectiveness of our volunteering efforts and facilitate employee volunteering through a "volunteer matchmaking" software system designed and launched by the Ford Volunteer Corps. Through this system, our nonprofit partners can tell us when they need help and what help they need most, and employees sign up online for volunteer opportunities based on their interests and availability. We are continuing to expand the system to strengthen data-collection capabilities – especially in our non-U.S. operating regions – and to enhance the employee user experience.

1. UAW originally stood for United Auto Workers; the full name today is the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.



Go Further

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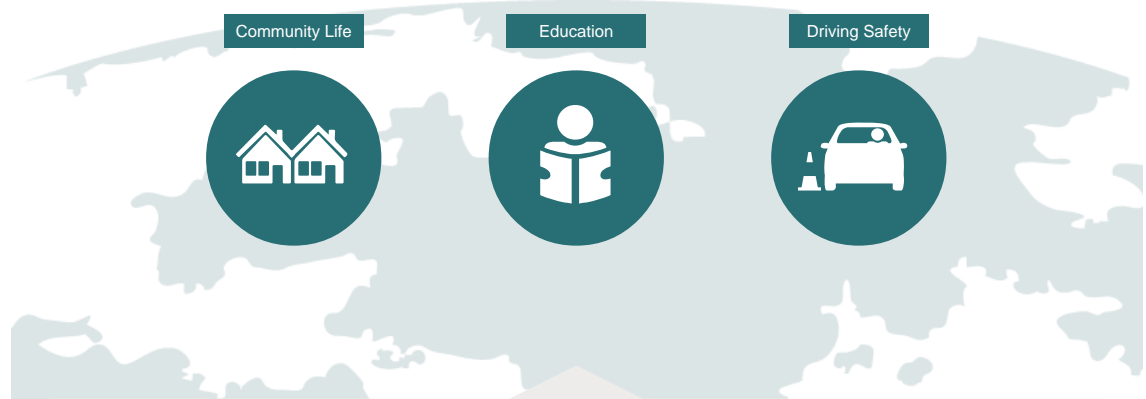
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Ford's Community Projects Around the World



We organize our community investment activities around our three strategic priorities: [community life](#), [education](#) and [driver safety](#). We developed these priorities to focus our efforts, and intensify the benefits of our community investments. We also focus on these areas in ways that help us to make the most of our financial contributions, as well as the unique skills of our company and employees.

Click on the icons above for examples of our programs and projects from around the world in each of these focus areas.

Community Life

Helping to strengthen the communities in which we operate is a core priority for Ford – and has been since Henry Ford started the company over 100 years ago. We work closely with communities to understand what their needs are and how we can contribute to improving community life. This is by far the broadest of our strategic priorities and includes efforts focused on hunger relief and poverty alleviation, community infrastructure improvements, and support for elderly, disabled and other under-served populations. Community life also includes our investments in environmental initiatives and efforts to improve water conservation and access to clean drinking water.

Some examples of our community life programs and projects from around the world include the following:

Shanghai, China

In Shanghai, China, during our Global Week of Caring, 100 Ford employees volunteered approximately 800 hours to help the Shanghai Homeless Children Protection Center (HCPC) at Jiangong University and Minhang Community Public Center on several projects for homeless children. Ford volunteers worked with a team of experts to identify homeless children on the street and offered them support; built temporary homes for older homeless children; ran activities for children under 15 living at the centers; and shared the children's stories on social media platforms to inform residents of the realities of homeless youth in Shanghai. HCPC rescues over 500 homeless children annually. It is Shanghai's oldest and largest specialized state-run orphanage and has been used by the central government as a model for orphanages throughout the country. Children are rescued who were abandoned at the train station, stores and hospital; others with physical handicaps have been found in dumpsters, public restrooms or rice paddies.



Pretoria, South Africa

In Pretoria, South Africa, as part of our Global Week of Caring, six Ford volunteers used a mini-grant from the Ford Fund as well as 48 hours of their time to purchase and install a "PlayPump" at a local

school yard. The PlayPump will provide clean water to the school and the entire community. Using this system, borehole water, which is pumped as children play on a roundabout, is stored in a 2,500 liter tank. In South Africa hundreds of schools have no clean drinking water. Girls frequently miss school as they must walk long distances to collect water for their families. In addition, water sources are often not sanitary and waterborne illness is common. The PlayPump will provide clean drinking water for the entire community and allow girls to attend school.



📍 United States

In the U.S., Ford has supported the American Red Cross mission for more than 30 years. In 2013, the Ford Fund and Ford Motor Company contributed over \$1.4 million to support disaster relief and service to military families. Ford pledges support in advance of major disasters, ensuring that the Red Cross is adequately prepared for an immediate response for disasters of all sizes. In addition, Ford provides funding for emergency preparedness youth education programs and vehicle donations. As part of the Red Cross Service to the Armed Forces, the Ford Fund has provided over 250 Ford Blue Oval Scholarships for veterans and their families to receive certified nurse-assistant training for careers in health care.

📍 United States

In the U.S., through the Ford Community Corps, we created a network of six Michigan colleges and universities that work with Ford to create new service learning initiatives that recognize scholastic achievement while encouraging service to the community. Unlike traditional volunteer programs, Ford Community Corps programs seek to match student know-how with specific nonprofit needs, connecting teams of students with work-related projects created by local nonprofit organizations. This allows students to provide more value to their nonprofit partners, while at the same time gaining valuable work-related skills and experience. In 2013, the program supported 59 projects and 225 students resulting in over 8,500 volunteer hours positively impacting more than 14,000 people.

📍 India

In rural India, our Sustainable Urban Mobility with Uncompromised Rural Reach (SUMMUR) program, which began in 2012, seeks to improve women and children's access to health programs through the use of a Ford vehicle that has been specially modified to allow its Ford SYNC@ system to transmit data, turning the vehicles into mobile medical labs. Using these vehicles, over 100 doctor visits have been completed, more than 20 health camps completed, and over 10,000 kilometers (6,213 miles) traveled. This program has facilitated safe deliveries for 41 high-risk pregnant women. By the end of February 2013, the program had visited 44 villages and reached more than 3,100 people to facilitate community awareness programs about maternal and child health care.

📍 China

Conservation and Environment Grants, China (CEGC) is the company's flagship philanthropic program in China, focused on supporting grassroots environmental/sustainability nongovernmental organization (NGO) leaders and their organizations. Over the past 14 years, Ford of China has awarded RMB 16.1 million (U.S. \$2.6 million) in grants to 325 grassroots environmental leaders and NGOs. In 2013, a Ford Fund investment allowed Ford of China to expand the CEGC program, linking it to employee volunteerism and to rewarding environmental NGOs that seek to make environmental protection part of the everyday lives of people in communities, allowing communities to become leaders in their own environmental protection.

📍 China

In 2012, the Ford Fund with Ford of China launched the Level Up! initiative, designed to build the organizational capacity of over 100 grassroots environmental NGOs in China. Through this program, more than 70 percent of environmental groups in Beijing, Shanghai and Kunming are undergoing significant organizational change and development. Efforts include workshops and training for grassroots environmental leaders, coaching and mentoring projects, capacity-building training and development, and assistance in building grassroots support networks for more than 100 NGOs.

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Education

We believe that education is a building block for success for everything else in our communities. Education creates a sustainable society. Without a sustainable society, we don't have a sustainable company for employees, customers, investors or dealers. We have developed a range of ongoing education programs, and we focus on education in our Volunteer Corps projects. For example:

📍 Kuluszyn, Poland

In Kuluszyn, Poland, as part of our Global Week of Caring, 50 Ford volunteers spent 500 hours providing support to the 35 children living at the Falbogi State Orphanage in Eastern Poland as part of a long-term project that began in 2009. The goal is to give the 35 children tools, knowledge, supplies, equipment and experiences so they can plan

for their future and make educated choices for their adult life. The orphanage is isolated in a rural area and children rarely leave the property except for school trips that are funded by Ford volunteers. Also, they have very limited access to the internet due to lack of equipment. Volunteers used a mini-grant from the Ford Fund to create a small computer room including two desks equipped with a desktop computer, software, printer and scanner to help children develop necessary skills and help them to find a job in future. Ford volunteers also provide relevant computer and Internet skill training to help children gain practical skill sets that they need to succeed in their post-orphanage years.

Cologne, Germany

In Freiluga, Cologne, Germany, Ford volunteers spent over 100 hours building an outdoor environmental education interactive classroom. Volunteers built a wooden garden house to dry herbs, cleaned the garden area, and cut down overgrown bushes and grass. As a result of these efforts, dozens of children now have an updated, hands-on, outdoor classroom devoted to teaching about protecting and enjoying the environment.



São Paulo, Brazil

In São Paulo, Brazil, as part of our Global Week of Caring, 23 Ford volunteers worked with the Guarda Mirim Institution, which provides administrative assistant training to 15- to 17-year-olds from humble backgrounds. The students are placed with companies as apprentices. Ford employees pioneered a development forum program to help broaden their view of the professional opportunities that will be available to them. Each term, 500 students benefit from this program.



United States

Our Ford Blue Oval Scholars program awards hundreds of scholarships to students throughout the U.S. The program includes a Web-based initiative that links scholarship winners together through an online portal, allowing them to connect with Ford and others in a variety of ways. The program also sponsors an annual "Heart Behind the Oval" scholarship contest that recognizes and rewards students making a difference in their communities. In 2013, the Ford Fund awarded more than \$1 million in college scholarships. For more information on the program, please see <https://www.fordscholars.org/scholarships>.

United States

The Ford College Community Challenge invites college partners to work with their local communities to put together innovative, student-led proposals that use the school's resources and capacity to address a social need or problem in the local community. Proposals must address the Challenge's theme – Building Sustainable Communities – in an innovative way, and must also address the issue of alternative energy and its role in building a sustainable community. In 2013, the Ford Fund awarded \$225,000 to nine projects. Since the program began in 2008, we have awarded \$1.6 million to build sustainable communities. For more information on the program and projects it has funded, please see <https://www.fordscholars.org/ford-college-community-challenge>.

United States

Ford Next Generation Learning (Ford NGL), the Ford Fund's flagship education program, mobilizes educators, employers and community leaders to develop a new generation of young people who will graduate from high school prepared for both college and careers. Ford NGL improves teaching and learning, promotes the development of career- and interest-themed high schools to better serve students, and aligns business and civic engagement in education to improve student and work-force outcomes. Through this program we work with national, regional and local partners to prepare young people to compete successfully in higher education and in the global, 21st century economy. For more information on Ford NGL, please see the [Investing in the STEM pipeline](#).

United States

Through the Henry Ford Academies (HFA) program, Ford has replicated its award-winning small high school model – which we started with the original Henry Ford Academy, located on the grounds of The Henry Ford in Dearborn, Michigan – in Detroit and San Antonio. Students at these schools benefit from the new HFA model curriculum, which is thought to be the first in the nation to focus explicitly on innovation and creativity.

United States

Ford Driving Dreams Through Education program is a competitive, grant-based initiative in partnership with the League of United Latin American Citizens (LULAC). The initiative allows LULAC councils throughout the country to implement localized programs to address high school dropout prevention in their communities. To date, 36 communities have been positively impacted by the program. Building on the success of Ford Driving Dreams Through Education, Ford developed the Ford Driving Dreams Tour. The program raises awareness about the importance of education by energizing youth, broadening community-wide support and providing resources for area schools and students. Through scholarships, motivational student assemblies, peer-to-peer support and an innovative contest, the signature program motivates students to graduate from high school on time and enroll in college. The pilot program launched in 2012 and targets schools with high Latino student populations. It has visited

15 high schools in Irving, Dallas and Fort Worth, Texas, and Miami, Florida. It is scheduled to visit additional high schools for the 2014-2015 school year. To date, the initiative has reached nearly 25,000 students.

Mexico

Since 1966, Ford of Mexico's employee and dealer civic committee has funded the Ford of Mexico School Building Program, to build elementary schools that provide quality education to children living in underprivileged areas. So far, the program has built 212 schools in nearly every state of Mexico. More than 1.6 million children have graduated and 150,000 children attend Ford Schools every day. They also sponsor a Quality in Education Program that provides education and sports programs for children, parents and educators. This program includes computer skills training for students, self-esteem and anti-drug education, and advanced training opportunities for school teachers and principals.

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Driving Safety

As an automotive company, the safety of drivers and pedestrians is an obvious priority for us. The [Ford Driving Skills for Life \(DSFL\)](#) program is the centrepiece of our efforts to improve driver safety.

Worldwide

The Ford Fund continues to support safe driving through its award-winning DSFL program, a free safe-driving curriculum that has trained hundreds of thousands of drivers through Web-based and in-person driving sessions. In 2013, the program celebrated 10 years in operation. In the U.S. the program focuses on teen drivers. It was developed by Ford, the Governors Highway Safety Association and a panel of safety experts to address the No. 1 killer of teens in the U.S. – traffic crashes. In 2013, Ford DSFL reached more teens, parents and educators than ever before through new awareness campaigns, high school assembly programs, social media promotions and nearly 30 days of hands-on training throughout the United States. Ford DSFL is the nation's most comprehensive driving skills program, with free professional driver instruction, a Web-based curriculum, state grants and free materials. Since 2003 in the U.S., Ford DSFL has hosted hands-on training in 40 states and Puerto Rico, and conducted programming in thousands of schools. Ford DSFL continued to expand internationally, launching in five new countries: France, Germany, Italy, Spain and the United Kingdom. The programs in Europe trained more than 1,300 novice drivers and we plan to add more countries in 2014. Programs also grew in Asia Pacific, which also plans to add two new countries to its Ford DSFL footprint. In total, Ford DSFL is training drivers to be safer in 16 countries around the globe and plans to grow to 23 countries before 2015.

Worldwide

We also focus on driving safety in our Volunteer Corps projects. For example in Chennai, India, 15 Ford volunteers spent 102 hours organizing a Driving Skills for Life sessions for 500 recruits of the Mechanical Transport Training Institute Air Force station in Avadi, Chennai, to help improve driving safety in the area.



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Expanding our Global Reach

As we continue to expand our business in new markets across the globe, we are also expanding our community investment and volunteering efforts internationally. In 2013 we continued to expand our global reach through our Operation Better World Program. Launched in 2012, Operation Better World is a coordinated, strategic approach to how Ford engages with communities everywhere that we do business. In 2013, we expanded the program from India and China to South America, Mexico and Europe. Through this program, Ford Fund works with NGO partners in four key areas: education, auto safety, community needs and sustainability (with a focus on water). The Ford Fund works to ensure that programs meet local community needs, align with the One Ford business plan, have a measurable impact and, where possible, can be replicated in other markets. This grassroots engagement in the community is implemented and led by the local Ford teams in each region.

Ford Motor Company Direct Charitable Contributions, Sponsorships and Employee Donations

In addition to the projects described in the graphic above, the list below highlights some of Ford Motor Company's primary direct charitable contributions and sponsorships.

- For more than 20 years, Ford has been involved in helping find a cure for type 1 diabetes. We are the largest global sponsor of JDRF, the leading global organization focused on type 1 diabetes research. Ford employees organize and participate in a wide range of fundraising activities each year and we raise funds through corporate initiatives like vehicle auctions. We have raised over \$40 million for JDRF.
- Ford has been a major supporter of the United Way both nationally and in Southeastern Michigan for many years. In 2013-14, Ford Chief Operating Officer Mark Fields was the chair of the United Way for the Southeastern Michigan chapter's fundraising campaign. In this capacity, he helped to raise over \$40 million for the regional chapter, a 14 percent increase from the previous year and the largest year-over-year increase for United Way in Southeastern Michigan in 17 years. In 2013-14, Ford contributed \$7.4 million to United Way for Southeastern Michigan, including employee, UAW¹, retiree and corporate contributions. Ford gave a total of \$9 million to United Way chapters across the country, including Southeastern Michigan in 2013-14 to support numerous community-based social services organizations.
- Ford has a long history of working with disabled American veterans. Ford is a major contributor to the Jesse Brown Memorial Youth Scholarship Program including funding scholarships to students who volunteer at local Veterans Administration medical centers. For over a decade Ford has also been a sponsor of the National Disabled Veterans Winter Sports Clinic, which allows hundreds of disabled veterans to go the mountains of Colorado to participate in adaptive winter sports. In 2013, Ford donated funds for Disabled American Veterans (DAV) to purchase seven new vehicles for its headquarters and the DAV Transportation Network, in addition to providing \$45,000 to the DAV's youth volunteer scholarship program.
- We continue to expand our Ford Mobile Food Pantries program, which helps social service organizations in Southeast Michigan collect and distribute food to those in need. In 2013, Ford helped the Mobile Food Pantries to serve more than 1.1 million meals in Southeast Michigan, and to provide more than 3.5 million meals over the last three years. Since the program began in 2009, we have donated 35 vans for food collection and delivery nationwide, including 13 vans in Southeastern Michigan.
- Ford has also been a long-time supporter in the fight against breast cancer. For 20 years, Ford has been a National Race Series sponsor of the Susan G. Komen Race for the Cure® and has dedicated more than \$120 million to the cause in donations and in-kind gifts. Ford's commitment goes well beyond the October race; it lasts 365 days a year and focuses on raising awareness, support and donations for this cause, including apparel that is sold on fordcares.com. This specially designed "Warriors in Pink®" clothing and accessory line is dedicated to those fighting this disease, and 100 percent of net proceeds go to the fight against breast cancer. Since 2006, we generated more than \$5.6 million from apparel sales for the cause. In addition, more than 75,000 Ford employees and thousands of dealership employees are involved in races and supporting the cause in their local communities. In 2012, Warriors in Pink expanded the family of charities we work with to include the Young Survival Coalition, the Dr. Susan Love Research Foundation and The Pink Fund in addition to the Susan G. Komen Race for the Cure. Consumers can designate which of these charities they help by selecting the charity of their choice at checkout. We also introduced nine female and two male survivors as part of our Models of Courage program. The inspirational stories of these survivors can be found on fordcares.com.
- Ford volunteers raised \$500,000 for the March of Dimes. Ford Vice President Jim Tetreault and UAW Vice President Jimmy Settles served as UAW/Ford sponsors for the 2013 March for Babies campaign. Over the past nine years, the UAW/Ford team has raised more than \$3.5 million.
- Ford volunteers raised nearly \$380,000 for the National Multiple Sclerosis Society's Michigan Chapter in 2013, exceeding their 2012 donation by over \$60,000. We were also named #1 Corporate Sponsor in Michigan and were recognized by the Circle of Distinction award by the organization.

1. UAW originally stood for United Auto Workers; the full name today is the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.



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Assessing the Larger Benefits of Our Community Engagement

It is challenging to assess the larger benefits of our community engagement and investments to the communities in which we operate. We know the dollar amounts of projects we fund and charitable contributions we make. And we know the number of hours our employees volunteer in their local communities through Ford-sponsored projects. For 2013, these numbers were substantial: We contributed to community projects, including nearly a half a million dollars in mini-grants to support our employee volunteer projects, and Ford employees volunteered over 150,000 hours. However, these numbers are just the "inputs"; they don't adequately convey the larger positive impact of our efforts.

We are trying to improve our ability to measure this larger positive impact. For example, we believe that our volunteer efforts in 2013 positively impacted more than 2 million people. At this point, our understanding of the larger impact of our projects is often anecdotal. However, these anecdotes are still important and inspiring. For example, we know that by building wells in India and South Africa, through our [Global Week of Caring](#) projects, we have enabled girls in local villages, who would otherwise have to walk miles to gather water for their families, to attend school instead.

We will continue to try to improve our ability to measure these kinds of larger impacts in years to come.



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

We are also working to understand the unique and changing needs of our customers in urban and emerging markets, where congestion, air pollution, traffic safety issues and social inequalities add a new range of challenges to delivering personal transportation solutions. The [Mobility Solutions](#) section discusses our efforts to understand and address these challenges.

As the marketplace becomes more diverse, we are also working to better reach multicultural audiences, particularly in the United States. We have made dedicated efforts to market Ford and Lincoln products to African-American and Hispanic customers, including developing Spanish advertising programs targeting the U.S. Hispanic market. We have also been a leader in the development of in-language, Internet-based advertising programs. Our Spanish website, [es.ford.com](#), is one of the most extensive in the industry. And, we were among the first to use Google with Spanish search programs.

This section discusses how we [engage with customers](#), [understand customer needs](#), [build customer awareness of our products](#) and [increase customer awareness of environmental issues](#).



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Engaging Customers

Maintaining good relationships with our customers is one of our most important activities. We provide a variety of means for customers to reach us, including mail, email and toll-free phone. We reach out to customers and potential customers through focus groups and other market research, and we track customer satisfaction.

We also gather online, consumer-generated content to learn what consumers are saying about both our company and the industry in general. Increasingly, customers are using these electronic media – including websites, discussion groups, blogs and social networks – to research, discuss and problem-solve topics related to their current vehicles and those they are interested in purchasing. In recent years, we have been participating more actively in this social media arena, monitoring consumer-generated content found online. Summary reports are compiled based on what we find and gather online, to convey what consumers are saying about our company and our products. These reports are shared throughout the company – from brand managers and product development engineers all the way up to senior-level management.

In addition to listening to what customers are saying online, we are also increasingly sharing information and engaging in discussions through social media. Social media allows for more two-way engagement with customers, so we can both listen to and understand our customers' wants and needs, and build their awareness of our company and products. For more information on how we are using social media to engage with customers please see the [Building Customer Awareness](#) section. For more on our social media guidelines for employees, please see the [Governance](#) section of this report.



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Understanding Customer Needs

We must keep pace with consumers' evolving wants and needs in order to remain competitive. We monitor global market trends, shifting consumer interests, and social and political developments to identify issues that are likely to affect our consumers, our industry and our company. We rely on a global network of internal and external experts to ensure that we have a wide-ranging, comprehensive perspective on consumer trends and how they will affect consumers' future choices about vehicles and mobility. We apply these trend analyses throughout our marketing, product development, research and design organizations to guide future product and technology developments.

Our marketing experts use an intensive research and analysis process to understand who our potential customers are, what they value and what they want in a vehicle. We define a "brand DNA" and a "target customer" for each of our main brands and products. The brand DNA and target customer profiles go beyond simple demographic information such as age, gender and income; we build complete profiles of our target customer, including information such as what they like to do, what music they listen to and where they shop. Using a fully developed, typical customer as the focus for vehicle development brings our market research data to life and keeps everyone on the product development team focused on designing a vehicle that meets customers' needs and desires.

We develop our target customer profiles based on psychological traits and archetypes that transcend national characteristics and country-specific customer desires. This is a critical part of our drive to develop truly global vehicles that appeal to customers in multiple markets. Toward this end, we are focusing more on the emotional and psychological elements of how customers choose their vehicles as well as the traditional economic criteria of price and features. In addition to developing vehicles that deliver best-in-class features and price for value, our goal is to develop vehicles that fulfil the dreams and aspirations of each target customer group. We believe this approach not only helps us to understand our customers better, it also helps us to develop vehicles that capture the imaginations, dreams and loyalty of our customers across the globe. Of course, we are keenly aware that economic pressures can push the boundaries of brand loyalties, and we need to work to continue to build vehicles that customers can afford.

We know that we cannot predict the future. However, we can prepare for a broad range of possibilities through "futuring" exercises that help us to ensure we have robust strategies in place, whatever the future might bring. Therefore, in addition to product- and brand-specific market research, we have an office dedicated to tracking shifts in social, technological, economic, environmental and political arenas. In 2013, we again made our global customer trends research public in "Looking Further with Ford", a report revealing insights about consumer habits and behaviors expected to shape 2014 and beyond. This trends report leverages years of research and collaboration with thought leaders from around the world. By publishing it, we hope to spur further discussion, inspire deeper insights and showcase the innovative and thoughtful side of Ford Motor Company.

"Looking Further with Ford" presents a series of micro trends that will influence the market landscape in 2014 and beyond, none of which are specific to the automotive industry. The underlying purpose of the trend work is to understand the forces affecting what is happening in social, technological, economic, environmental and political arenas as a means to better anticipate the future wants, needs and desires of consumers. This collection of trends reveals recurring themes of mindfulness; in the context of increasing pace of change, we are reevaluating our relationships with the world around us in terms of technology, the environment, and how and where we spend our time. Some examples of the trends we are seeing include the following:

- **The Sustainability Blues:** People are becoming increasingly aware of the importance of "going blue" as we are "going green," and becoming more aware

of sustainability challenges related to water, one of our most precious and pressured resources. In the last century, global water use per person has doubled, while global population has tripled, paving the road for serious issues with water scarcity. Today, one in seven people worldwide do not have access to quality drinking water. South America, South Africa and South East Asia are among the areas that suffer the most. Within the regions, women and children spend up to three hours a day seeking out water sources for their communities. In 2012, Ford announced a comprehensive water strategy based on an analysis of risks and opportunities throughout our value chain from environmental and social perspectives. As part of this strategy, we will reduce water-use-per-vehicle by 30 percent from 2009 to 2015.

- **The Quiet Riot of Innovation:** Innovation and new technologies are occurring at an ever increasing rate. The increasing pace of change is being driven in part by new tools that allow individuals to take their ideas for new products from dream to reality more effectively like open-sourcing of new technologies and self-financing mechanisms. This trend is reflected in the ever-increasing pace at which we as a company are introducing new products and technologies. We will launch 23 all-new or significantly refreshed products globally in 2014, more than doubling our global product launches in 2013. We are also taking advantage of open sourcing to develop new tools for customers. For example, in 2013, we held an open competition to develop new fuel-efficiency apps for drivers on our SYNC in-vehicle communication system through Open XC, open-source connectivity platform.
- **The Old School Trend:** In the face of political shifts, economic malaise and increasing pace of technological breakthroughs, some customers find themselves longing for the “good ol’ days” when things were seemingly kinder, gentler and simpler. Not surprisingly, products and experiences that evoke a sense of nostalgia or romantic view of the past do quiet well in the marketplace. For instance, when Ford revealed the 50th anniversary of the Ford Mustang we were delighted to discover it has some 5 million Facebook fans worldwide. Even in markets where the Mustang has never been sold, people were drawn in by its rich history and heritage.
- **Micro-Moments and the Myth of Multitasking:** As customers continue to feel increasingly busy and information and entertainment become increasingly accessible, people are trying to make the most of every moment. Using smartphones and other devices people are engaging in “micro-moments” in which they consume bite-sized pieces of information and entertainment anytime they can in order to save up larger chunks of time later to fulfil more meaningful goals. On the other hand, the Myth of Multitasking trend reveals that only 2 percent of the population are effective multi-taskers. For the remaining 98 percent, multitasking can do more harm than good. Studies show that while working, being distracted by incoming calls and emails can lower one’s IQ by 10 points. Ford is providing technologies to help customers make the most of every moment while also helping them avoid the pitfalls of excessive multitasking. [SYNC® with AppLink](#) helps drivers make the most of their drive time by providing hands-free access to music, phones, and other information while on the road. But we are also working on ways to ensure that connections with technology while driving remain safe and that drivers can block out distracting information. For example, [Ford’s MyKey® Do Not Disturb](#) feature can be used to stop text messages and phone conversations from occurring while the driver is in motion. We are also working on a Digital Workload Estimator which will be able to block out technology when traffic conditions and health readings determine that outside interference would increase driver stress levels.
- **Vying for Validation:** Social media continues to have profound effects on our society. “Selfies,” or pictures taken of oneself usually using a mobile phone camera, have become so ubiquitous that the online Oxford Dictionary added it to their lexicon late last year. It is difficult to judge how accurate or authentic people’s online personas are when people worldwide readily admit that they paint a better picture of their lives on social media than it is in reality. In response to the growing importance of social media, Ford is engaging with customers through social media, giving them opportunities to share their experiences and opinions. For example, our [Ford social website](#) allows customers and Ford employees to engage in a dialogue about Ford vehicles including feedback on our products, recommendations for new products, and experiences they have had with their Ford vehicles. We also have established social media guidelines to ensure that Ford employees do “keep it real” in their discussions of the company on social media. For more information on these guidelines, please see the [Governance](#) section.



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Building Customer Awareness

One important goal of our marketing and communications activities is to increase consumers' knowledge of our products and our corporate performance. We are particularly focused on improving consumers' awareness of the company's quality, safety, environmental and social performance. We use a wide range of communication methods to share information about Ford with potential customers and to get feedback from drivers. This Sustainability Report is one key element of that strategy. We also engage in two-way communications with consumers and other stakeholders through a variety of stakeholder engagement forums.

In 2012 we introduced a new global brand promise, which is summarized by the phrase "Go Further." Put simply, Go Further represents our culture and what makes Ford different from any other automaker. It promises that we are always going to go further to deliver a strong business that builds great products for a better world. While Go Further is used for marketing and advertising, it is much more than a tagline. It's about how Ford employees deliver ingenious products, make them available to everyone and believe in serving each other, our customers and our communities.

These communication efforts – coupled with delivering products of world-class quality, with world-class fuel economy, technology and other features – are paying off. From 2012 to 2013, we saw increases in favorable opinion for our brands in Germany, South Africa, and the U.K. We saw increases in purchase consideration for our brands in Germany, Mexico, South Africa, and Thailand. Some of the increases were quite large. For example, from 2012 to 2013 favorable opinion increased by 4 percentage points in South Africa, and purchase consideration increased by 11 percentage points in Thailand, 7 percentage points in South Africa.

In the U.S. market, fuel economy continues to be a top consideration for new vehicle shoppers. Advertising communications in 2013 were focused on telling Ford's fuel economy story with a specific focus on increasing awareness of EcoBoost®. The EcoBoost engine provides an "AND" solution by combining power and fuel efficiency. Ford nameplates were featured in the "AND not OR" campaign, which showed why a vehicle that gives an AND solution is so much better than having to choose between this OR that. By the end of 2013, familiarity of EcoBoost had increased by 25 percent compared to 2012.

We track consumers' familiarity with, opinion and consideration of, and shopping and purchase intentions in regard to our vehicles as part of our brand value and awareness tracking. Tracking these elements helps us to understand how consumers view our vehicles and where we need to focus our product development and communications efforts to improve consumers' perceptions of and interest in our vehicles.

Social Media

Social media continues to be a mainstream communication channel, providing a relevant, quick and organic way to connect with consumers in the spaces they most like to visit. We continue to use established social media platforms such as Facebook, Twitter, Instagram, YouTube and Vine, while staying connected with the continuous entry of new platforms. We also engage with influencers within those platforms to build conversation, awareness and excitement about Ford products.

Ford was the first automaker to reveal vehicles via social media. We have been an innovator in this space by launching and publicizing vehicles through programs like Escape Routes, a campaign that combined social media and a primetime television reality show, and Fiesta Movement, an ongoing campaign using real Fiesta drivers as "agents" who fulfil special missions with their Fiestas each month and report on those missions through social media channels. We continued the Fiesta Movement program to support the launch of the 2014 Fiesta. For this campaign, we gave 100 social media influencers a 2014 Fiesta and everything they needed to undertake

monthly missions based on themes such as Social Advocacy, Travel, Gaming and Adventure. Fiesta Movement Agents created, filmed and shared each mission in their own authentic voice. These missions as well as other communications that the agents socialized reached tens of millions of followers, via YouTube, Twitter, Instagram and other social media platforms. Through this program, social advocates created over 14,000 pieces of content, delivering information to more than 3 billion potential users.¹

We continue to actively use Twitter to engage with consumers on all matters, including customer service. We answer questions, provide information and give customers help when needed. The volume of requests we have handled through our @FordService Twitter account has more than tripled in three years, and our customer satisfaction rates for communications through this platform are 92 percent or higher. Twitter also remains the best resource for real-time assessment of what people are saying about us and provides us with a valuable platform for listening.

Other Nontraditional Marketing

We use a range of other nontraditional marketing and communications efforts to increase awareness of our products and engage consumers and stakeholders. Through our Drive One campaign in North America, for example, we offer opportunities for people to experience our vehicles firsthand. The goal of Drive One is to encourage people who might not otherwise be considering a Ford product to see for themselves what we offer. Drive One is based on our belief that, when people drive our vehicles, they will have more positive opinions of our products and will be more likely to buy them. The campaign highlights Ford's four key brand pillars: safety, quality, green technologies and smart technologies.

We believe that supporting causes that are important to our customers is a key way to show our commitment to social responsibility and strengthen our community ties. We emphasize this approach through the "Drive One 4 UR School" and "Drive 4 UR Community" campaigns, started in 2007 and 2012 respectively. Through these programs, participants test-drive a new Ford vehicle and help raise money for their local high school or local nonprofit organization. Ford donates up to \$6,000 per event to fund school and nonprofit activities. These programs have been successful at both raising money for local organizations and raising consideration of Ford products. The programs have raised more \$20 million for schools and nonprofit organizations since their inception. Feedback from participants shows that both purchase consideration and favorable opinion of the Ford brand improved after participating in the program.

Ford's interaction with NBC and The Tonight Show with Jimmy Fallon provide another example of our nontraditional marketing efforts. Mr. Fallon mentioned interest in purchasing a new truck during a broadcast, and Ford was first to respond to the call via Twitter. Mr. Fallon agreed that the F-150 King Ranch was the truck he wanted. Fallon then began a week-long contest to decide who he would buy the truck from featuring Ford sales consultants from Ford dealerships across the U.S. The winner of the contest earned the chance to sell Fallon the all new 2015 F-150. Leveraging digital and social communications in tandem with broadcast television, the programming achieved many viewer impressions. During one particular 60-minute period, the promotion garnered nearly 26 million impressions via Twitter alone. This prelaunch effort provided tremendous exposure for an upcoming product.

Traditional Advertising

Finally, we use traditional advertising to inform consumers about our products and our corporate performance. We use three primary advertising strategies: corporate-level communications about Ford Motor Company, advertising about our brands and specific products, and dealer-level product advertising. The goal of these advertising strategies is to sell vehicles. But just as important, we are aiming to increase general awareness about the excellence of our products and our corporate performance among people who are not yet in the market for a vehicle. To develop new products, we respond to market demands through our market research and product development efforts. Through our advertising, we hope to increase interest in and preference for our vehicles and our company, based on the excellence of our products and the positive actions of the company.

As part of our One Ford transformation, we are working to improve the effectiveness of our advertising communications by involving dealers more closely in the development of our advertising strategies. Dealers communicate with our customers every day, and they have special knowledge about consumers' needs and wants. We included our dealers from the start in our Drive One campaign. In fact, prior to developing Drive One, we sought input from our entire Ford dealer body, and that feedback informed the campaign's development. Together we arrived at a campaign that works at the corporate, brand, product and dealer levels.

1. This includes agent content used with paid media platforms.



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Increasing Consumer Awareness of Environmental Issues

Ford is also working to increase consumer awareness of key vehicle-related environmental issues, including how drivers can help to improve the environmental performance of their own vehicles.

We offer consumers a [“fuel-efficient vehicle options”](#) website that explains our different electrified vehicle technologies and options. The site provides jargon-free explanations of the differences between hybrid electric vehicles, plug-in hybrid vehicles and all-electric vehicles, including details on the technologies that make them possible, such as battery chemistry, charge ports and regenerative braking. The site is part of Ford’s relentless effort to educate consumers about the choices offered by the company’s range of electrified vehicles and to help potential buyers determine which electrified option might best suit their specific driving habits and needs. Consumers who visit the site can review videos, text and cutaway diagrams that illustrate the differences between vehicles such as the Ford Fusion Hybrid, the Ford Focus Electric and planned Ford plug-in hybrids. The site does not offer opinions on which vehicle technology is better. Rather, it provides clear explanations about how gasoline, hybrid, plug-in hybrid and all-electric vehicles work, to help consumers decide which vehicle could be the best option for them. We also launched a [Plug Into Ford](#) website, which provides customers with an in-depth look at how to make the most of the electric vehicle lifestyle. Read more about our electric vehicles in our [Electrification](#) section.

We have developed a suite of purchasing tools to help fleet customers understand the most cost effective way to reduce the carbon emissions of their vehicle fleet, to understand the relative life cycle carbon emissions and fuel savings of different vehicle options, and to recommend specific vehicle purchase plans to achieve cost and emissions reduction goals. See our case study for [more information on these purchasing tools](#).

We are also educating drivers about environmental issues while they drive. For example, Ford’s advanced in-vehicle system – SYNC® with MyFord Touch™ – offers an array of real-time information on fuel-economy performance that can coach drivers to get more miles to the gallon and save on fuel costs. For example, SYNC with MyFord Touch enables drivers to monitor and track their vehicle’s real-time fuel-economy performance and mile-per-gallon averages for the past five, 10 and 30 minutes. In addition, the SYNC with MyFord Touch map-based navigation system offers an Eco-Route option that quickly calculates the most fuel-efficient route a driver can take to get from point A to point B.

In the U.S., our hybrid and other electrified vehicles offer a SmartGauge® with EcoGuide instrument cluster tool, which provides real-time fuel-economy data and promotes fuel-efficient driving by showing a graphic of growing leaves and flowers as drivers’ fuel efficiency improves. We launched a similar system in Europe called Ford EcoMode. Similar to EcoGuide, EcoMode helps educate the driver to achieve improved real-world fuel economy. It was first introduced on the Ford Focus ECONetic and will be implemented as an option in more European Ford models in the future.

For more information on how we are using in-vehicle information technology to help drivers improve their fuel efficiency, please see the [Vehicle Fuel Efficiency and CO₂ Emissions Progress and Performance](#) section.

We have also developed eco-driving tips that help drivers improve their fuel economy. We provide these tips on our website and through a Ford Driving Skills for Life online training program. We started providing eco-driving training in 2000 in Europe and have since expanded it to the U.S. and Asia. For more information on our eco-driving training programs, please see the [Vehicle Fuel Efficiency and CO₂ Emissions Progress and Performance](#) section.



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A. Employee Satisfaction, Pulse Survey

Percent satisfied

Employee Satisfaction Index



Company Success Mindset



Management Commitment to Diversity



Overcoming Workplace Obstacles



	2008	2009	2010	2011	2012	2013
Employee Satisfaction Index	66	68	68	69	71	75
Company Success Mindset	85	85	84	84	86	87
Management Commitment to Diversity	80	81	82	82	86	87

Data notes and analysis

Each year, we ask our salaried workforce to participate in the [Pulse survey](#) to gain insight into employees' overall satisfaction with the company, their jobs, diversity and other aspects of workplace satisfaction. In 2013, the Employee Satisfaction Index continued a 10-year trend of scores equal to or better than the prior year. The topic of Management Commitment to Diversity continued a seven-year trend of scores equal to or better than the prior year.

Related links

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B. Overall Dealer Attitude

Relative ranking on a scale of 1–100 percent

	2008	2009	2010	2011	2012	2013
Ford (winter/summer score)	69/68	71/80	83/85	84/82	84/83	84/85
Lincoln ¹ (winter/summer score)	66/64	66/71	71/62	61/64	68/67	76/78
Industry (winter/summer score)	73/72	70/74	75/78	80/81	81/81	81/81

Data notes and analysis

1. Ford stopped production of Mercury with the 2011 model year. Beginning in 2011, the dealer satisfaction data for Lincoln dealers no longer include Mercury dealers.

Overall dealer attitude is measured by the National Automobile Dealer Association (NADA) Dealer Attitude Survey. Scores are for the winter and summer respectively of the year noted.

Approximately 54 percent of our Ford dealers and 52 percent of Lincoln dealers provided feedback through the 2013 NADA survey process. We remained consistent in many areas in this survey compared with our 2012 record improvements, including in our Regional Sales, Service and Parts Personnel rankings. In addition, Ford Motor Credit Company Capability rankings exceeded the industry and previous scores in nearly every category. Finally, Value of Franchise, Product Quality, Competitiveness, Policies and Procedures, and Vehicle Incentives also showed favorable results.

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C. Employment by Business Unit

Average number of people employed



	2008	2009	2010	2011	2012	2013
Automotive	203,000	169,000	157,000	157,000	165,000	175,000
Financial Services	10,000	8,000	7,000	7,000	6,000	6,000
Total	213,000	177,000	164,000	164,000	171,000	181,000

Reported to regulatory authorities

Data notes and analysis

All figures as of year-end. Historical employment figures from some years have been rounded and/or restated to align with financial reporting documents.

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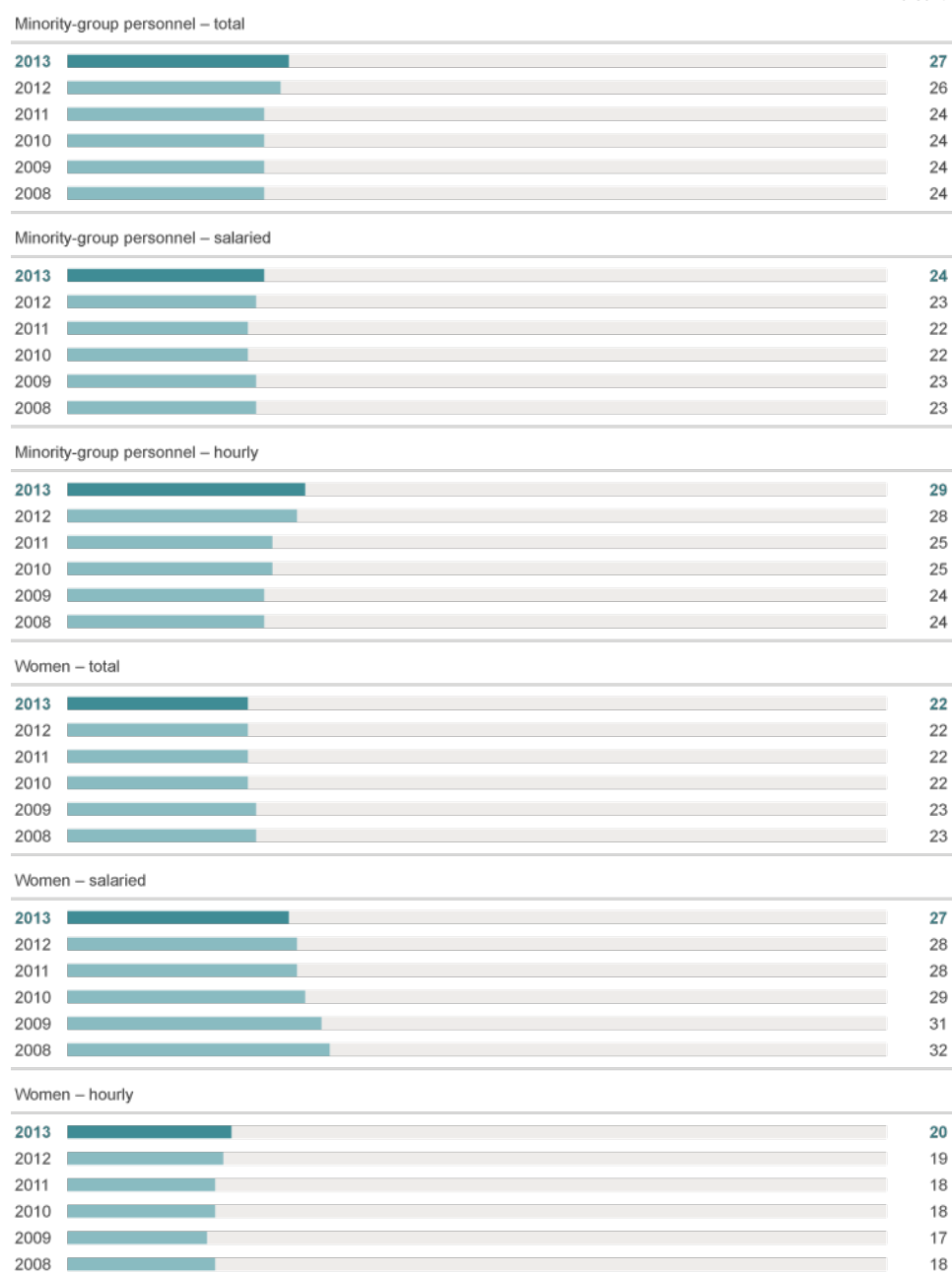
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D. U.S. Employment of Minority-group Personnel and Women at Year-end

Percent



	2008	2009	2010	2011	2012	2013
Minority-group personnel – total	24	24	24	24	26	27
Minority-group personnel – salaried	23	23	22	22	23	24
Minority-group personnel – hourly	24	24	25	25	28	29
Women – total	23	23	22	22	22	22
Women – salaried	32	31	29	28	28	27
Women – hourly	18	17	18	18	19	20

Reported to regulatory authorities

Related links

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→ Diversity and Inclusion

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E. Global Salaried Employees by Gender

Percent



KEY ■ Male
■ Female

	2013
Male	74.3
Female	25.7

Data notes and analysis

For 2013, Ford began publicly reporting global salaried employees by gender.

Related links

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→ Employees

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F. Global Workforce by Region

Percent



KEY ■ North America
■ South America
■ Europe
■ Asia Pacific Africa
■ Financial Services

	2013
North America	46
South America	10
Europe	27
Asia Pacific Africa	13
Financial Services	3

Reported to regulatory authorities

Data notes and analysis

Numbers do not add to 100 percent due to rounding.

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G. Voluntary Quit Rate by Major Markets (Salaried Employees)

Percent



United States	1.4
Canada	1.2
Mexico	2.7
Brazil	2.4

Germany	0.5
United Kingdom	1.1
China	4.2
India	4.7
Thailand	9.5

Data notes and analysis

For 2013, Ford began publicly reporting voluntary quit rate by major markets.

Related links

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H. Women in Middle Management and Above Positions by Region

	<i>Percent</i>
	2013
Americas	19.1
Asia Pacific Africa	16.7
Ford Credit	21.5
Europe	10.8
Global	17.0

Data notes and analysis

In 2013, Ford began publicly reporting women in middle management positions by region.

Related links

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I. Corporate Officers by Gender and Minorities

	<i>Percent</i>
	2013
Male	90.5
Female	9.5
Minorities	19.0

Related links

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J. Board of Directors Composition by Gender and Minorities

	<i>Percent</i>
	2013
Male	88.2
Female	11.8
Minorities	11.8

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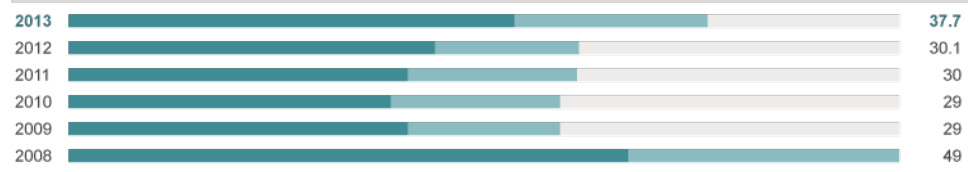
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K. Charitable Contributions

\$ million



KEY ■ Ford Motor Company Fund
■ Corporate

	2008	2009	2010	2011	2012	2013
Ford Motor Company Fund	33	20	19	20	21.6	26.3
Corporate	16	9	10	10	8.5	11.4
Total	49	29	29	30	30.1	37.7

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L. Volunteer Corps

Thousand volunteer hours



	2008	2009	2010	2011	2012	2013
	100	100	112	110	115	150

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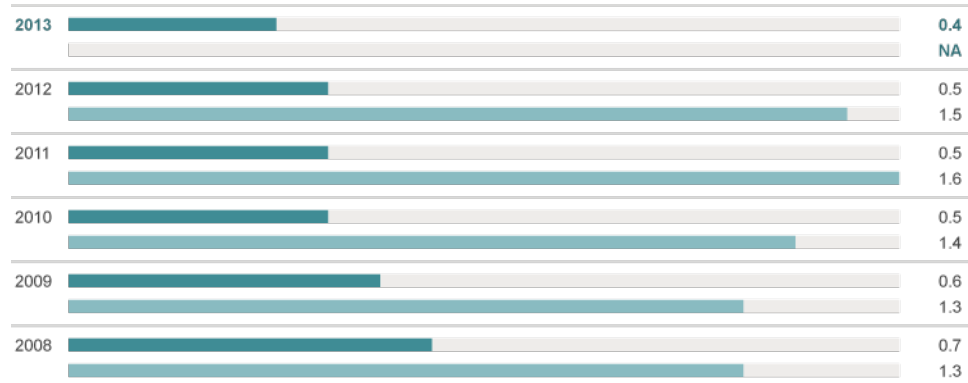
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A. Global Lost-time Case Rate (per 100 Employees)

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



KEY ■ Ford Motor Company (global) ■ U.S. Bureau of Labor Statistics average for NAICS Code 3361 (motor vehicles manufacturing)

	2008	2009	2010	2011	2012	2013
Ford Motor Company (global)	0.7	0.6	0.5	0.5	0.5	0.4
U.S. Bureau of Labor Statistics average for NAICS Code 3361 (motor vehicles manufacturing)	1.3	1.3	1.4	1.6	1.5	NA

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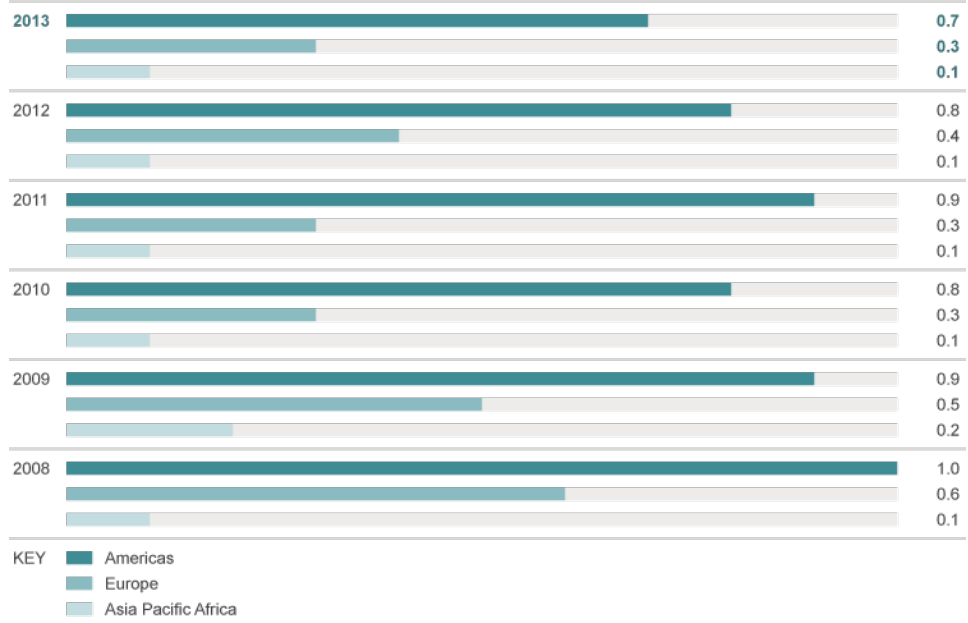
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- [Workplace Health and Safety](#)

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

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



	2008	2009	2010	2011	2012	2013
Americas	1.0	0.9	0.8	0.9	0.8	0.7
Europe	0.6	0.5	0.3	0.3	0.4	0.3
Asia Pacific Africa	0.1	0.2	0.1	0.1	0.1	0.1

Reported to regulatory authorities

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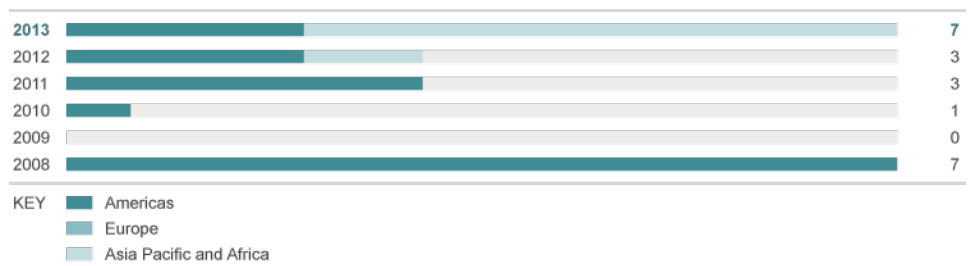
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C. Workplace Health and Safety Violations

Number of violations



	2008	2009	2010	2011	2012	2013
Americas	7	0	1	3	2	2
Europe	0	0	0	0	0	0
Asia Pacific Africa	0	0	0	0	1	5
Total	7	0	1	3	3	7

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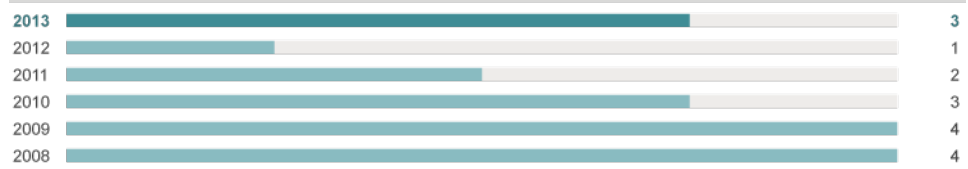
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D. Global Fatalities

Number of fatalities



	2008	2009	2010	2011	2012	2013
	4	4	3	2	1	3

Data notes and analysis

Global fatalities data include Ford employees and contractors.

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Case Study: A Comprehensive Talent Management Strategy in Asia Pacific

Voice: Jim Vella

Case Study: A Comprehensive Talent Management Strategy in Asia Pacific

Ford is no stranger to Asia Pacific and our history in the region runs long and deep. We sold Model As in Japan and India as early as 1905 and 1907, respectively, and Model Ts in China in 1913. In 1929 in Yokohama, Japan, we opened what was at the time considered a state-of-the-art manufacturing facility, boasting Asia's first moving assembly line.

But today's expansion in the region is unprecedented. Starting around five years ago, we saw the huge potential for growth in Asia and began an extraordinary ramp-up of new manufacturing facilities, especially in China, India and Thailand, to meet consumer demand for our vehicles.

But how do you build the pipeline of talented people necessary to run and manage operations that seemed to be exploding virtually overnight? You start with a comprehensive talent strategy that focuses on acquisition, retention and engagement – with a bit of lending on the side.

Kamali Rajesh, who has been with Ford for more than 13 years, took on the role of head of recruitment and learning and development for Asia Pacific in 2011 when Ford's expansion was firmly accelerating. Establishing a thorough strategy was imperative for our company to achieve our predicted 70 percent growth in the region over a decade – much of it in China.

"You can't accomplish your growth strategies if you don't have the people to back it up," Rajesh says. "We needed to develop a comprehensive talent strategy to support the business to deliver the growth."

Keep in mind that we've been hiring between 1,000 and 1,500 salaried employees each year in Asia Pacific for the past two to three years. That's a lot of talent to attract, develop and retain.

The stakes were – and still are – high. In China in particular, the environment for talent is incredibly competitive and the voluntary quit rate for manufacturing companies as a whole hovers around 15 percent. Employees are like customers; if you don't take care of them, someone else will.

In Asia Pacific, we have been working hard to develop, engage and retain our talent, which is reflected in Ford's lower-than-industry voluntary quit rate of approximately 5 percent (See more voluntary quit rate information in data table below.) and our steady increase in job offer acceptance rate (currently at 93 percent).

Rajesh was Asia Pacific's first director for recruitment – a new position for Ford – and her team got to work immediately by carving out what she calls the "Four Bs" of human resources: buy, build, borrow and bond. The buy, or recruitment strategy, includes campus hires, experienced hires and executive hires. Although Ford historically likes to promote from within, in Asia Pacific there simply haven't been enough individuals available to come up through the local ranks, necessitating a greater number of hires from other companies.

In 2013, we embarked on a unique campus recruitment initiative as part of the "buy" phase – first in China and later in India. We used childhood photographs of current employees to add a more personal touch. (See photos below). The campaign was a big hit, leading to a near doubling in the job application rate and a bigger pool of qualified candidates. To help recent graduates adjust to their new working environments, we offer a two-year training program that transitions students from campus life to corporate life. Approximately 300 individuals take part in this each year.



Next comes the "build" strategy, which focuses on developing the functional and leadership skill sets needed

for a global company. We have a variety of learning and development programs, from classroom experiences to mentoring and on-the-job development opportunities, all of which are helping to grow the skills of our new employees and build a high-performing and capable organization.

The "borrow" strategy is necessary because we don't have the bench strength of people we need in the region to oversee the building of new plants and production of new vehicle lines. So we borrow Ford talent from other regions who are essentially on loan to our Asian facilities for a few years at a time.

Rajesh sees the borrowing phase as an essential and integral part of our talent strategy, helping to fill the skill gap while also grooming emerging talent. Work force development is accelerated by the presence of experienced international employees who are guiding, teaching and coaching the new hires.

"The more we are successful with our buy and build strategy, the quicker we will catch up on our talent gap so we can reduce our reliance on the borrow strategy in the future," Rajesh says.

The last leg of the strategy is "bond," or the employee engagement element. Ford does not have the same historic reputation in Asia as it does in Detroit, for example, where many young people grow up wanting to work for Ford or have families with employment history with the company. Given this challenge, we must work doubly hard to position Ford as an employer of choice in Asia Pacific. We must earn the emotional investment of our people so they choose to stay with Ford and help us build a long legacy in Asia for the future.

Our commitment to creating and sustaining a corporate culture that is engaging and where employees feel like part of the Ford family is a key value proposition and a differentiating factor in this competitive marketplace.

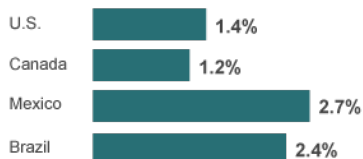
We have a lot to celebrate and be proud about, including several recent employee engagement awards in Asia Pacific (see box below). But there is much more to accomplish in support of our exploding regional growth. We believe our comprehensive "four Bs" strategy will be a critical enabler as we build and support our growing operations in Asia Pacific.

Recent HR Awards and Recognitions in Asia Pacific

- Asia Pacific Top 50 IDEAL® Employers – Universum
- China Top 100 IDEAL® Employers (2013 and 2014) – Universum
- China Best 100 Human Resource Management Award – 51job Inc. China
- Best Employee Engagement Program Award – 51job Inc. China
- Best CSR Program Award – 51job Inc. China
- China Top 10 Ideal Employer for 2014 Graduates – Nanjing University of Aeronautics and Astronautics Career Center
- Ford Lio Ho: Corporate Role Model, Friendly Workplace – Taoyuan County Government, Taiwan

2013 Voluntary Quit Rates (salaried employees)

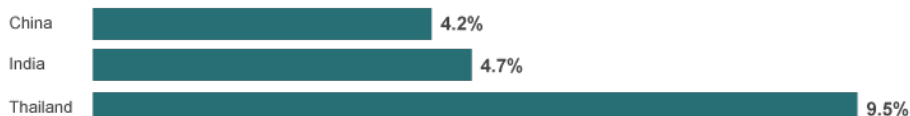
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Voice: Jim Vella

President, Ford Motor Company Fund and Community Services

“Even during our most difficult financial times, we continued to emphasize community and volunteerism. That was obviously a very difficult situation for a company that was losing billions of dollars and letting people go. But despite these challenges, Ford’s leadership team felt that giving back to the community is part of who we are.”



Our founder Henry Ford believed that he could not build a strong business without a strong society and a strong community. That commitment has manifested itself over the decades in a number of ways, including through the volunteer work performed by our employees and through the Ford Motor Company Fund, which is focused on building strong communities everywhere we do business.

It’s one thing to say that volunteerism is in the DNA of a company. It’s another to be able to point to philanthropic relationships that have lasted generations. Case in point: Our relationship with Disabled American Veterans (DAV) dates back to 1922, when Henry Ford donated Model T’s to transport wounded soldiers to the organization’s second annual convention. We have supported this organization every year since.

Our efforts today are a logical extension of Henry Ford’s early vision, and having Henry’s great grandson, Bill Ford, at the helm of the company has pushed us even further. Bill Ford created the Ford Volunteer Corps after a devastating tsunami hit the Asia Pacific region in 2005. Bill asked us how we were responding, and we told him we had contributed \$1 million toward relief efforts. He said, “That’s what every company does,” and planted the seed for the corps. Our first Volunteer Corps project helped to rebuild fishing villages, schools and community centers that were destroyed by the tsunami. Today, the Volunteer Corps organizes thousands of our employees in projects all around the globe.

Even during our most difficult financial times, we continued to emphasize community and volunteerism. That was obviously a very difficult situation for a company that was losing billions of dollars and letting people go. But despite these challenges, Ford’s leadership team felt that giving back to the community is part of who we are. We prided ourselves on being a good neighbor. And, with the auto industry as a whole in serious trouble, our neighbors needed us more than ever.

Having fewer resources meant we had to reconsider our charitable efforts because we couldn’t be all things to all people. We assessed the community needs and evaluated how they aligned with our business. As a result, today we focus on three key issues: community life (which might include hunger relief, health, veterans support and other areas), education and automotive safety.

We also look at the unique contributions that Ford can make, rather than simply donating money. For example, we turned our Transit Connect vehicles into mobile food pantries to deliver food to people in the suburbs of Detroit – individuals who had not historically needed such services. We used our extensive experience in material handling and logistics to become much more efficient at recovering and delivering food in quantities that would make a meaningful difference.

Education is another top priority for Ford Motor Company Fund because it is a building block for success. If you have a strong education, you can get a job at Ford or in other industries that build wealth and create a sustainable society. Without a sustainable society, we don’t have employees, we don’t have customers, we don’t have dealers and we don’t have shareholders.

We’re paying particular attention to developing STEM (science, technology, engineering and math) skills. From a parochial industry view, we need skilled employees to work at Ford and within our supply base to develop our next generation of products. From a broader perspective, our society as a whole needs more people to develop science and technology skills.

Our third area of focus is automotive safety. There is nothing more important to our company than the safety of our employees and our customers. Through our Driving Skills for Life program, we are teaching young people

how to be safer behind the wheel. In emerging markets, such as China and India, the program focuses on first-time drivers – whether they are adults or teens.

Through all of our efforts, we work closely with our dealers, who truly are the face of Ford and are essential to helping us identify community needs.

One of the challenges of any community giving program is measuring impact and effectiveness. For example, we can tally how many meals we deliver to families in need – about 2 million in Michigan in 2013. But do we know if the kids we fed did better because they went to class on full stomachs? The entire nonprofit sector struggles with understanding such measurements. What we do know is that, over time, if we invest with the right partners and continue to do so strategically, we will make a difference in people's lives.

Employee engagement is critical to our success. Employees want to be engaged with their communities and enjoy the opportunity to give back. We can truly make a much bigger impact on social issues when we combine our financial resources with our people resources. It's not just about writing a check. It's about having our people there to help meet basic needs.

Ford is in the midst of its biggest global expansion in more than 50 years, adding jobs and facilities in both traditional and emerging markets. As our company grows, our community engagement work is growing with it. The outreach of the Ford Motor Company Fund will be an important part of building our brand and reputation.

Ford has been part of our communities through good times and bad, including depressions and world wars. In the U.S. especially, many people view Ford and our dealerships as a vital part of their communities. That's a unique attribute of this company. By engaging our people and our dealers on a one-to-one basis within our communities, we are more than a business. We are honoring Henry Ford's original vision of community support, and at the same time building on the company's legacy of giving back.