

# Helping Build a Better World.

Making Life Electric



**Integrated Sustainability and Financial Report Summary 2021**  
Ford Motor Company | [sustainability.ford.com](https://sustainability.ford.com) | [shareholder.ford.com](https://shareholder.ford.com)



# Power To Create

## Economic and Innovation

Under The Plan to turn around and grow Ford, we are improving quality, reducing costs, restructuring underperforming businesses, and modernizing and simplifying the way we operate. This will help us continue to exceed customer expectation and deliver sustained, profitable growth.

All Transit images are computer generated. Available Pro Power Onboard shown. Follow your owner's manual for operating limitations.



**We will unlock tremendous value for stakeholders by developing and delivering must-have electric vehicles and connected services in mainstream segments where millions of customers already rely on Ford – pickups, commercial vehicles and SUVs.”**

*John Lawler,  
Chief Financial Officer*

### Our Purpose

**To build a better world, where every person is free to move and pursue their dreams.**

We believe in the power of creating a world with fewer obstacles and limits, where people have the freedom to build a better life and pursue their dreams.

To shorten the distance between where you are and where you want to go.

To connect people down the road and over the horizon – to discover possibilities, and enjoy the thrill, adventure and pride of moving freely.

From day one, we've provided people with the tools to help them move forward and upward. We've innovated to expand their opportunities. And we've worked to earn their trust, every single day.

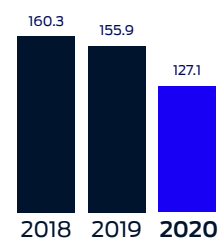
We honor our legacy as we build the future – a better world for generations to come.

Because when everyone is free to move, and free to dream, we do what we do best: we change the world.

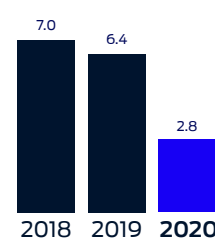
### Our Plan

In October 2020, we unveiled The Plan, our new strategy to drive growth, improve execution, deliver customer satisfaction and speed up transformation. We will drive loyalty and revenue through electric vehicles, commercial vehicles and software services, as well as partnerships for expertise and efficiency.

#### Revenue (\$B)



#### Adjusted EBIT<sup>1</sup> (\$B)



Despite the challenges of COVID-19, we finished the year in a strong financial position. In 2021, we will focus on investing in growth areas, including electric vehicles (EVs), self-driving vehicles and connected solutions.

1 See [Form 10-K](#) pages 69–72 for definitions and reconciliations to GAAP (US Generally Accepted Accounting Principles).



## Leading the Electric Revolution

In February 2021, we announced a commitment to increase our planned investment in EV technology and infrastructure to \$22 billion through 2025, as we continue to electrify our most popular nameplates. These include the highly anticipated Mustang Mach-E SUV, which was launched in North America in late 2020 and early 2021 in Europe, and will arrive in China later this year.

Commercial vehicles (CVs) and trucks are also a key component of our plans, with new all-electric versions of the Transit and F-150 set for launch in 2021 and 2022 respectively. By mid-2026, 100 percent of our passenger vehicles sold in Europe will be zero-emissions capable, all-electric or plug-in hybrid, moving to all-electric by 2030. Our entire CV range in Europe will also be zero-emissions capable – all-electric or plug-in hybrid – by 2024.



Ford customers have simple and easy access to more than 16,000 places to charge (over 47,000 plugs). The growing FordPass™ Charging Network is the largest public charging network in North America offered by automotive manufacturers.\*

In Europe, Ford is part of IONITY, which is a joint venture founded by a group of leading original equipment manufacturers (OEMs). IONITY has a network of more than 300 high-power charging stations in 14 European countries, with a further 50 under construction. The group is planning a further expansion of its high-power charging network in the coming years.

In China, FordPass connects Ford owners with 180,000 public charging sites in more than 300 cities. It also provides users with a “Use First and Pay Later” charging experience – a first in the industry.



IONITY



In the first few weeks of the new year, two of our vehicles received major accolades: the **2021 Mustang Mach-E** was named North American Utility Vehicle of the Year™ and the **2021 F-150** was named North American Truck of the Year™.

## Connected Commercial Vehicles

We want to make the transition to electric vehicles as easy as possible for commercial fleets and businesses, not only by electrifying the vans and trucks they know and trust, such as Transit and F-150, but also by increasing our offering of management tools.

Through Ford Commercial Solutions, we will offer U.S. commercial customers easy-to-use web-based management tools to optimize efficiency. SYNC® 4 voice-assist technology supports on-the-road driver coaching training, while a safety alert system allows fleet operators to monitor vehicles in real time, even if they are turned off.\*

## Self-Driving Vehicles: The Next Generation

We have committed to increase our planned investment in our self-driving business to \$7 billion through 2025. Ahead of our service launch planned for 2022, we are running real-world tests on the roads of six U.S. cities and have launched a fourth-generation test vehicle to fine-tune features and functionality. The new vehicles come with a range of improvements, including more advanced LiDAR and higher resolution cameras that will help improve detection on all sides of the vehicles.



Through our partnership with Google, the newly created Team Upshift will use Google's artificial intelligence, machine learning and data analytics expertise to modernize our business through electrification, connectivity and self-driving technology.

## Innovative Mobility Solutions

We are leading efforts to create safer, more efficient and sustainable transportation networks for a wide range of mobility options. When we purchased Michigan Central Station in 2018, we envisioned a smart mobility corridor linking Detroit and Ann Arbor to test connected and self-driving vehicles to help improve access to transportation. Supporting this vision, we partnered with Newlab in 2020 to create two new mobility studios to incubate and accelerate future transportation solutions.



With Spin expanding into Europe, we reached the U.K. in 2020 with a trial to make free rides and subsidized fares available to healthcare workers and low-income riders in Essex. We've also teamed up with software company Tortoise to bring remotely operated e-scooters to North America and Europe in 2021.

## Sustainable Development Goals

Through our economic and innovation activities, we are contributing to the following UN SDGs:





# A Better World for Generations To Come

## Environment

We're making positive contributions to the world around us by reducing the emissions associated with the use of our vehicles, responsibly managing our operations and encouraging best practices among our suppliers.

In December 2020, Ford received the **Gold Medal Award for International Corporate Achievement in Sustainable Development** by the World Environment Center.



**We're committed to carbon neutrality – it's the right thing for our customers, the planet and Ford. Ninety-five percent of our carbon emissions today come from our vehicles, operations and suppliers, and we're tackling all three areas with urgency and optimism."**

**Bob Holycross, Vice President, Chief Sustainability, Environment and Safety Officer**

### Our Climate Change Commitment

Climate change impact is a salient human rights issue and a key strategic priority for Ford. To play our part in addressing it, we aspire to achieve carbon neutrality by 2050. Focusing on vehicle use, factories and suppliers, we have two new, approved science-based targets to help us achieve this ambition:

- **Reduce Scope 1 and 2 greenhouse gas (GHG) emissions from our operations by 76 percent by 2035 from a 2017 baseline**
- **Reduce Scope 3 GHG emissions from use of sold products by 50 percent per vehicle by 2035 from a 2019 baseline**



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

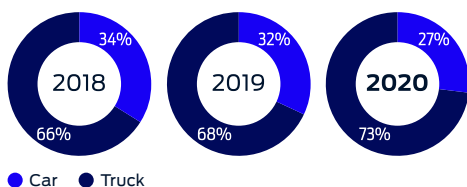
Ford is the only full-line U.S. automaker committed to doing its part to reduce CO<sub>2</sub> emissions in line with the Paris Climate Agreement, and working with California for stronger vehicle greenhouse gas standards. We have also joined the [New Deal for Europe](#) initiative to devise a comprehensive Sustainable Europe 2030 strategy and continue to publish a [Task Force on Climate-related Financial Disclosures \(TCFD\) Index](#), in response to the TCFD's recommendations, to which we have formally committed.

### Fuel Economy

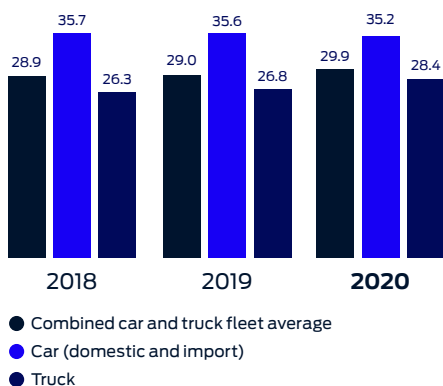
Partially driven by continued low fuel prices, global consumer preference continues to shift away from smaller, more fuel-efficient vehicles toward trucks and SUVs. Our portfolio is increasingly focused on the products with the greatest reach and leverage, allowing us to enhance the fuel efficiency of our light- and medium duty truck lines, and offer full battery and hybrid electric versions of our flagship nameplates.



## U.S. Customer Preference



## U.S. Ford Car and Truck Fuel Economy (mpg)<sup>2</sup>



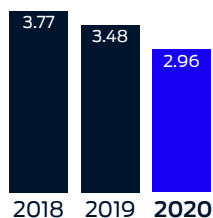
Across our business, our goal of using 100 percent local, renewable electricity for all manufacturing plants by 2035 is closely linked to our commitment to electrified vehicles. We are investing \$1 billion in a new electric vehicle manufacturing center in Cologne, Germany, and \$1 billion to modernize and expand our South Africa manufacturing plants. In 2020, we started construction of the new Rouge Electric Vehicle Center in Dearborn, where the all-electric F-150 will be built.

## Making Our Operations More Sustainable

We are focused on creating a positive impact in the local ecosystems in which our facilities operate. Over the past decade, we have achieved a 40 percent reduction in our carbon footprint through improved energy efficiency and conservation at our facilities and in our manufacturing processes.

We are committed to targeting true zero waste to landfill through the “reduce, reuse, recycle” model and working to eliminate single-use plastics. Our Global Manufacturing Water Strategy is targeting a 15 percent reduction in absolute freshwater use by 2025, building on our 75 percent reduction since 2000.

## Worldwide Facility GHG Emissions (million metric tons CO<sub>2</sub>e)



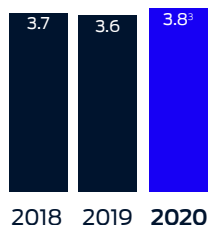
# 75%

absolute reduction in water use since 2000

# 103

true zero waste to landfill sites

## Ford Global Water Use per Vehicle Produced (cubic meters per vehicle)



## Furthering Our Commitment to a Circular Economy

By using renewable and recycled materials in our vehicles, we’re reducing waste, using fewer natural resources and improving vehicle quality and performance. We recycle materials from outside our business, such as post-consumer carpet and recycled tires, and over the years, our research scientists are also finding innovative ways to replace petroleum-based plastics with plant-based materials. Since launching soy-based foam in 2007, we have used composites made with castor oil, kenaf, wheat straw, rice hulls, coconut, tree fibers and coffee chaff. In our latest partnerships, we are piloting a study with BASF to turn plastic waste into a secondary raw material and partnering with HP to reuse waste powder from 3D printers for injection molding vehicle parts.



Ford’s closed-loop recycling system is in use at factories like Dearborn Stamping Plant, where it recovers all of the scrap that doesn’t make it into body panels, such as hoods, fenders and doors. Recycling this material saves 95 percent of the energy that would be required to create new aluminum from raw ore.



## Sustainable Development Goals

Through our environmental activities, we are contributing to the following UN SDGs:



<sup>2</sup> Calculated using the CAFE drive cycle standards. Does not include A/C or Off-Cycle credits. Includes 0.5 mpg FFV credit.

<sup>3</sup> 2020 water use was impacted by COVID-19 plant closures.

# Earning Trust Every Day

## Social

Our business relies on the passion, expertise and dedication of our employees, dealers, suppliers, partners and neighbors. That's why we invite our people to bring all of their passion, inspiration, integrity and uniqueness into work each day, care for each other and treat customers like family to earn their trust.



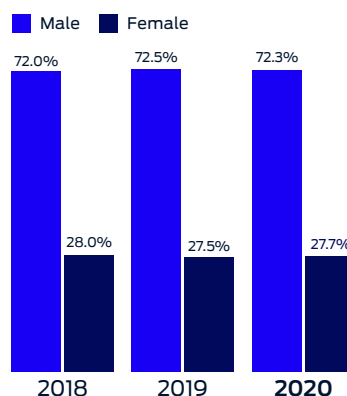
**To be a customer-centric company, we are using human-centered design thinking and putting people first in everything we do, both internally and externally. We believe that to provide the best customer experience and play to win, we must first focus on our people experience and cultivate a culture where employees feel valued and respected, and that they truly belong.”**

*Kiersten Robinson, Chief People and Employee Experiences Officer*

In 2021, Ford was included in the Bloomberg Gender-Equality Index for the third year in a row, in recognition of our commitment to transparent gender reporting and workplace equality.



**Ford Global Salaried Employees by Gender (percent)**



## Caring for Each Other

Our diversity, equity and inclusion (DEI) North Star is “We are family. We celebrate our differences. We all belong.”

Starting in the U.S., we embarked on a DEI employee audit, the most comprehensive assessment of DEI we have ever undertaken. The results showed that while we have some bright spots, including our listening strategy and the impact made by our Employee Resource Groups (ERGs) and diversity councils, we also have opportunities to ensure all employees feel like they belong. We are holding ourselves accountable for progress; this includes every corporate officer now having a DEI performance objective to actively cultivate a culture of belonging.

We are proud of and grateful to the many passionate employees in our ERGs and diversity councils for caring for members and communities while leveraging their strengths to disrupt our marketing and engineering activities and solve business problems.



## Prioritizing Safety and Quality



We aspire to a future that is free from vehicle crashes and workplace injuries.

Ford customers trust us with their safety and that of their loved ones. That's why we prioritize the safety and quality of our vehicles, as well as a salient human rights issue.

We pride ourselves on designing and building vehicles that meet the highest standards in a range of real-world conditions. We continuously seek to innovate and improve the safety of our products, utilizing technologies available today and participating in those being developed for the future. We continue to receive high marks and accolades in public and private crash-testing assessments.

### U.S. New Car Assessment Program (NCAP)

## 7 Ford and 6 Lincoln

nameplates earned 5-star overall vehicle safety scores

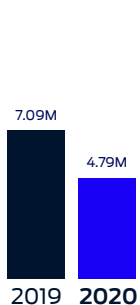
### Euro NCAP

## 9 models

earned 5-star overall vehicle safety scores

To measure product quality, we have transitioned to a new primary source of information, the Quality Net Promoter Score (QNPS), which will measure the ownership experience at three, 12 and 36 months in service. QNPS provides a more comprehensive and holistic view of quality by capturing both customers' "dislikes" and "likes" (e.g., "Things Gone Right"). This new tool will give us more timely, actionable insights in line with industry performance indicators of quality, such as the annual studies conducted by J.D. Power and Associates. Improved processes and new technology are used to support quality, customer satisfaction and recall actions.

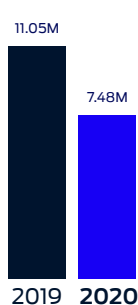
### Passenger Vehicles Recalled, U.S.<sup>4</sup>



4 Includes takata airbag and DPS6 transmission-related recalls.

5 Includes masks for facilities and for donation as of week beginning 3/8/21.

### Passenger Vehicles Recalled, Global<sup>4</sup>



## Enriching Community Life

2020 was a year like no other, as the COVID-19 pandemic made the work Ford Motor Company Fund (Ford Fund) does to support communities more important than ever. From transporting food and critical supplies to people in need to donating around 140 million masks to communities with limited access to personal protective equipment, Ford Fund helped millions of individuals, families and communities throughout the past year.

Together with Ford employees, Ford Fund raised funds to support nonprofits worldwide working on the frontlines of the global pandemic and celebrated 15 years of the Ford Volunteer Corps. Learn more about the work of our philanthropic arm in the [2020 Ford Fund Annual Report](#).

## Respecting Human Rights

Ford's commitment to human rights is embodied in our newly published [We Are Committed to Protecting Human Rights and the Environment Policy](#). We also launched our first [Supplier Code of Conduct](#), outlining the expectations and standards we have of supply chain partners. In 2020, the automotive sector was assessed against the [Corporate Human Rights Benchmark \(CHRB\)](#)'s full methodology for the first time, and Ford topped the industry ranking.

Sourcing the 1,000 different materials we use is an important human rights issue. We are implementing a responsible material sourcing strategy that expands our material due diligence program beyond conflict minerals. In early 2021, we joined the Copper Mark's Advisory Council and became the first U.S. automaker in the Initiative for Responsible Mining Assurance (IRMA).



## Responding to COVID-19

Working with the UAW, Ford has been using our design and manufacturing expertise, and existing vehicle parts, to help produce thousands of units of vital medical and personal protective equipment for its workforce, healthcare workers, first responders and the public.

Together with our philanthropic arm, Ford Fund, we committed to produce and donate 120 million American-made medical-grade masks to at-risk communities in all 50 states by mid-2021.

To keep our own people safe during the outbreak, we supported employees working remotely with webinars, resources, learning solutions and tools and quickly shifted to a virtual model for internships, recruiting and onboarding.



### Project Apollo

**140M+ face masks<sup>5</sup>**  
**20M face shields**  
**1.6M gowns**  
**50,000 ventilators**  
**32,000+ respirators**

in collaboration with 3M™

## Sustainable Development Goals

Through our social activities, we are contributing to the following UN SDGs:





Throughout our nearly 118-year history, one thing that has not changed is our desire to help build a better world, where every person is free to move and pursue their dreams. Guided by this principle, we developed and shared our new Plan in October to transform Ford into a stronger company that can compete and win in this new era of transportation defined by electric, connected and autonomous vehicles.”

**Bill Ford**, Executive Chairman

**Jim Farley**, Chief Executive Officer



## Our Sustainability Aspirations



### Climate Change

Achieve **carbon neutrality** by 2050



### Air

Attain **zero emissions** from our vehicles and facilities



### Energy

Use **100 percent local, renewable electricity** in all manufacturing by 2035



### Waste

Reach **true zero waste to landfill** across our operations; **eliminate single-use plastics** from our operations by 2030



### Water

Make **zero water withdrawals** for manufacturing processes; use **freshwater only for human consumption**



### Materials

Utilize only **recycled or renewable** content in vehicle plastics



### Safety

Work toward a future that is **free from vehicle crashes and workplace injuries**



### Human Rights

Source only **raw materials** that are **responsibly produced**



### Diversity, Equity and Inclusion

Create a truly diverse culture **where everyone feels like they belong**



### Access

Drive human progress by providing **mobility and accessibility for all**

## Innovating To Expand Opportunity

Ford Motor Company

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