



OUR FUTURE IS IN MOTION

WHAT DRIVES US

SUSTAINABILITY REPORT SUMMARY 2020



WWW.SUSTAINABILITY.FORD.COM

PUTTING PEOPLE FIRST

People drive our success: our skilled employees, our dedicated dealers, suppliers and partners, our local communities and our valued customers. They are front and center of everything we do to drive human progress.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)



“THE HEART OF FORD’S GLOBAL COMMUNITY WORK IS MAKING PEOPLE’S LIVES BETTER. OUR EMPLOYEES ARE THE BACKBONE OF THIS WORK, AND THEIR VALUES IN GIVING BACK AND CARING FOR OTHERS DRIVE THIS MISSION. SUPPORTING THE COMMUNITIES WHERE WE LIVE AND WORK THROUGH MENTORSHIP, SERVICE AND PARTNERSHIP PROGRAMS IS WHAT MAKES FORD A SPECIAL FAMILY COMPANY.”

MARY CULLER,
PRESIDENT, FORD FUND
DETROIT DEVELOPMENT DIRECTOR
CHIEF OF STAFF, OFFICE OF THE EXECUTIVE CHAIRMAN

OUR PEOPLE STRATEGY

Through our holistic approach, we will:

- Use continuous learning and adaptive capabilities to deliver business value and reinforce our culture
- Create a more fit and flexible organization through collaborative networks and processes that enable agility and customer centricity
- Build an inclusive, diverse and adaptive learning community, drive accountability and deliver value every day

CREATING A WINNING CULTURE

Our culture – what it’s like to work at Ford – is built on the strength of our history and transformed by our passion and ambition to create tomorrow, together.

By Putting People First, one of our shared values, we believe in creating experiences that empower our employees, customers, partners and communities to make the world a better place. We embrace a culture that enables us to attract, retain and develop the top talent.

Respecting Human Rights

We’re committed to respect human rights throughout our company and supply chain. This year, we conducted our second human rights saliency assessment, in line with the UN Guiding Principles Reporting Framework (UNGPRF). We are now rolling out action plans to manage the 10 key issues we identified. See our [UNGPRF Index](#) for the full list of issues.

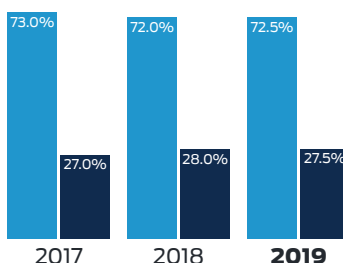
PROMOTING DIVERSITY AND INCLUSION

Society and corporations can no longer stay silent to social injustice. We fully commit to creating the fair, just and inclusive culture that all team members deserve. We also support Fair and Equal Michigan’s efforts to amend the state’s civil rights law to protect the LGBTQ+ community and continue our commitment to the CEO Action Pledge for Diversity & Inclusion™. In our commitment to diversity and inclusion, we became a signatory to the United Nations (UN) Women’s Empowerment Principles in February 2020, appeared in the Bloomberg Gender-Equality Index for the second straight year, and received a perfect score of 100 in the 2019 Disability Equality Index®.



FORD GLOBAL SALARIED EMPLOYEES BY GENDER

(percent) ■ Male ■ Female



98.2%

GLOBAL SALARIED GENDER PAY RATIO¹

117,000

VOLUNTEERING HOURS IN 2019

¹ A peer group consists of employees in the same region, salary grade and skill team, when available.



“DIVERSITY AND INCLUSION IS NOT A PROGRAM OR AN INITIATIVE. IT’S ABOUT PEOPLE. THERE’S ONE BASIC HUMAN NEED COMMON TO EVERY SINGLE PERSON ON THE PLANET: THAT’S THE NEED TO BELONG. WE CAN’T BE THE WORLD’S MOST TRUSTED COMPANY UNLESS EVERYONE SUPPORTING FORD CAN BE THEMSELVES AND DO THEIR BEST WORK.”

LORI COSTEW, CHIEF DIVERSITY OFFICER

SUPPORTING COMMUNITY LIFE

We are creating long-lasting partnerships and increasing access to opportunities to strengthen local communities and help make people’s lives better.

In 2019, we made more than \$62 million in charitable contributions to community organizations with a focus on:

Community Life: Our inaugural SHE-MOVES (Strengthen Her: Mobilizing Ventures for Social Innovation) program was launched 2019, supporting social enterprises in India, South Africa and Nigeria that empower women and girls through mobility services.



Education: To help fill skills gaps in our industry, we offer training opportunities and support programs such as Primary Engineer, FIRST® Robotics and Girls Who Code, which encourage young people to study science, technology, engineering, arts and math (STEAM) subjects.

Driver Safety: Our Ford Driving Skills for Life (DSFL) program trains newly licensed drivers through hands-on courses, classroom sessions and an online “Academy.”

PRIORITIZING SAFETY AND QUALITY

Ford cares about customer safety. That’s why the safety and quality of our vehicles is a salient human right and will always be our highest priority.

Our corporate safety policy outlines our commitment to creating vehicles that achieve the highest levels of safety in a range of real-world conditions. This helps us meet or exceed relevant laws and regulations, as well as customers’ needs and expectations. Innovative technologies that enhance vehicle safety, such as the Ford and Lincoln Co-Pilot360™ technologies, use a combination of radar, sonar and cameras to sense and interpret the environment.

We use warranty repairs per thousand vehicles at three months in service as a key metric for measuring initial quality. Initial quality goes beyond warrantable defects to include measures of customer excitement with new product features.

U.S. NEW CAR ASSESSMENT PROGRAM (NCAP)

10 Ford and 3 Lincoln

NAMEPLATES EARNED 5-STAR OVERALL VEHICLE SCORES

EURO NCAP

5 models

EARNED 5-STAR OVERALL VEHICLE SCORES

J.D. POWER

Top 5

BOTH FORD AND LINCOLN RANKED IN THE TOP FIVE OF THE INITIAL QUALITY STUDY FOR THE FIRST TIME

COVID-19: Keeping People Safe

The health and safety of the Ford family is our highest priority, and the COVID-19 outbreak has challenged us to be flexible in where and how we work.

- We moved quickly to close production sites, used technology to enable many of our employees to work remotely, and implemented programs to support colleagues’ physical, mental and emotional health
- We used our design expertise, manufacturing capacity and vehicle parts to help produce ventilators, respirators and personal protective equipment
- Our return-to-work playbook for China, Europe and the U.S., with amended safety requirements and restructured roles, is being extended to other regions as operations restart
- Ford has consistently appeared in the top three “companies responding in a meaningful way to the crisis,” according to The Harris Poll.



PROTECTING OUR PLANET

We are making a positive contribution 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.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)



“WE BELIEVE THAT MAKING GREAT VEHICLES AND MAINTAINING A STRONG BUSINESS DON'T HAVE TO BE AT THE COST OF PROTECTING OUR PLANET. THESE PRIORITIES ARE DEPENDENT ON EACH OTHER AND AREN'T MUTUALLY EXCLUSIVE. TO HELP US ACHIEVE OUR ASPIRATIONS, WE HAVE SET OUT SOME AMBITIOUS GOALS THAT WILL MOVE US TOWARD A CARBON-NEUTRAL FUTURE.”

BOB HOLYCROSS, VICE PRESIDENT, CHIEF SUSTAINABILITY, ENVIRONMENT AND SAFETY OFFICER



ACTING ON CLIMATE

We know stabilizing atmospheric CO₂ concentrations requires major collaboration from a wide range of global stakeholders. Addressing climate change impact is a salient human rights issue and a strategic priority for Ford.

We aspire to achieve carbon neutrality by 2050, with interim targets that address the urgency of climate change as well as regional differences. We are focused on three areas – vehicle use, our factories and our suppliers – which account for about 95 percent of our carbon emissions.



We aspire to achieve carbon neutrality by 2050.

Ford is the only full line U.S. automaker committed to:

- doing its part to reduce CO₂ emissions in line with the Paris Climate Agreement; and
- working with California for stronger vehicle greenhouse gas standards.

In an effort to increase transparency about the resiliency of our climate change strategies, we've published our second [Climate Change Scenario Report](#), in response to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), to which we are now formally committed.



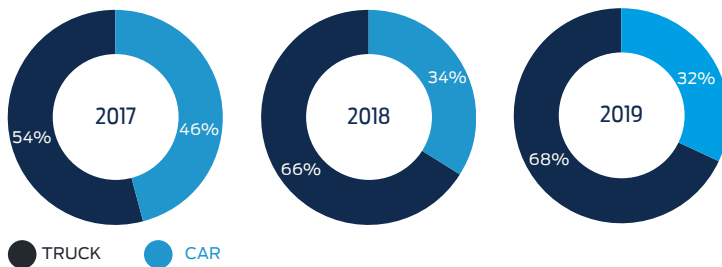
“WE'RE COMMITTED TO ADVANCING TECHNOLOGIES TO MITIGATE OUR CO₂ FOOTPRINT AND CREATING A POSITIVE IMPACT IN SOCIETY. FORD WORKS CLOSELY WITH REGULATORS AND TECHNOLOGY EXPERTS TO FIND WAYS TO REDUCE EMISSIONS FROM OUR VEHICLES, IMPROVING AIR QUALITY WHILE MEETING CONSUMERS' EXPECTATIONS.”

CYNTHIA WILLIAMS, GLOBAL DIRECTOR, SUSTAINABILITY, HOMOLOGATION AND COMPLIANCE

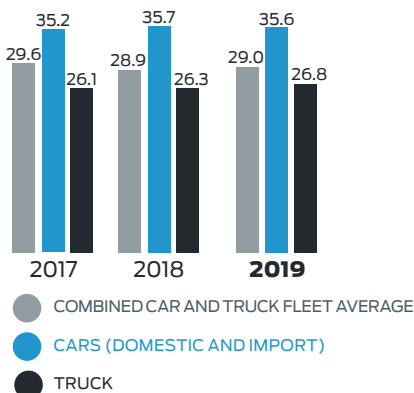
FUEL ECONOMY

In 2019, sales data showed 68 percent of our U.S. customer base preferred a truck to a car. Though fleet-based averages show modest improvements to annual fuel efficiency, several individual nameplates have experienced significant improvements in fuel consumption. From 2012 to 2019, fuel economy for the Ford F-150 improved by 16 percent, the Ford Escape by 14 percent and the Ford Expedition by 30 percent in the same timeframe. We will continue to enhance the fuel efficiency of our light- and medium-duty truck lines by offering full battery and hybrid electric versions of our flagship products.

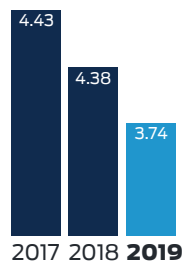
U.S. CUSTOMER PREFERENCE



FORD CAR AND TRUCK FUEL ECONOMY (mpg)²



FORD ABSOLUTE WORLDWIDE FACILITY CO₂ EMISSIONS (million metric tons)



² Calculated using the CAFE drive cycle standards. Does not include A/C or Off-Cycle credits. Includes 0.2 mpg FFV credit.

MAKING A POSITIVE IMPACT

By improving the operations under our direct control and encouraging best practices among our suppliers, our holistic approach builds on our past achievements and seeks to minimize future risks.

At our production sites around the world, we've invested in state-of-the-art facilities technology to help meet our energy reduction target and set a long-term ambition to use only locally sourced renewable energy for our manufacturing by 2035 without the use of credits.

Ford is one of 181 companies on the CDP Climate Change "A List" and we have retained our place on the CDP Water Security "A List" for the fifth consecutive year.

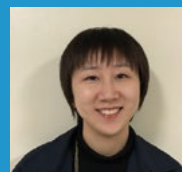
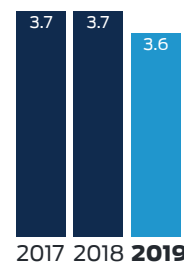
102

TRUE ZERO WASTE TO LANDFILL SITES

13%

ABSOLUTE REDUCTION IN WATER USE

FORD GLOBAL WATER USE PER VEHICLE PRODUCED (cubic meters per vehicle)



“IMPROVING WASTE SEGREGATION IS ESSENTIAL FOR US TO MEET OUR SUSTAINABILITY GOALS. AT FORD MANUFACTURING PLANTS, THROUGH PROGRAMS SUCH AS WASTE MANAGEMENT VISUAL AIDS AND ON-SITE WASTE RECYCLING AUDITS, WE ARE PROUD OF WHAT WE DO EVERY DAY TO REDUCE OUR ENVIRONMENTAL FOOTPRINT.”

XIAOXIAO YU, PLANT ENVIRONMENTAL CONTROL ENGINEER, ESSEX ENGINE PLANT, CANADA

MOVING TOWARD A CIRCULAR ECONOMY

With our aspiration to only use recycled and renewable materials, we reuse metals, such as aluminum scrap from our stamping plants, as well as post-consumer carpet and recycled tires. Upcycling waste streams into car parts helps move toward a circular economy.

We continue to look at other byproducts and waste streams, such as agave fiber from the tequila-making process and U.S. currency taken out of circulation, and we are working to integrate nylon fishing net into clips, wiring channels and brackets.

Through a new partnership with McDonald's USA, coffee chaff – the dried skin of the bean – is being used in a material for reinforcing headlamp housings in the Lincoln Continental.



CREATING TOMORROW, TOGETHER

We believe that freedom of movement drives human progress. So, we're creating smart vehicles in a smart world to solve today's – and tomorrow's – mobility challenges.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)



“I'M EXCITED BY THE ROLE THAT FORD CAN PLAY IN USING INNOVATIVE, DISRUPTIVE TECHNOLOGY TO MAKE THE WORLD BETTER. CONNECTIVITY, AUTOMATION, ELECTRIFICATION, DATA SHARING – THESE THINGS ARE CHANGING THE BUSINESS OF MOBILITY AND MAKING US RETHINK OUR VALUE ADD AS A COMPANY.”

HAU THAI-TANG, CHIEF PRODUCT DEVELOPMENT AND PURCHASING OFFICER



SCALING UP ELECTRIFICATION

With countries such as China, India, France and the U.K. planning to phase out vehicles powered by combustion engines and fossil fuels by 2040, we need to start delivering affordable electric vehicles (EVs) at scale.

Through our more than \$11.5 billion investment through 2022, we plan to deliver a portfolio of hybrids, plug-in hybrids and all-EVs to meet our customers' evolving needs and preferences, including electrified versions of our most popular nameplates. The all-new, all-electric Mustang Mach-E will be coming to North America and Europe, offering high-performance, zero-emission driving and a range of 300 miles³ while an all-new Lincoln Aviator Plug-In Hybrid is being delivered to customers.

Commercial vehicles are a key component of our electrification plans. The all-electric Ford Transit will help lead the transition to carbon neutrality as well as offering fleet owners less scheduled maintenance, lower operating costs and vehicle tax incentives. We plan to introduce the Transit, and an all-electric F-150 pickup, by mid-2022.



LARGEST CHARGING NETWORK IN NORTH AMERICA WITH

13,500

CHARGING LOCATIONS AND

40,000

CHARGE PLUGS

IONITY

NETWORK OF

400

FAST CHARGING STATIONS ACROSS EUROPE



DEVELOPING SELF-DRIVING VEHICLES

Self-driving vehicles have the potential to deliver new levels of accessibility, affordability and convenience, particularly in urban environments. As much of the technology already exists, we are focused on building consumer trust in its safety and reliability.

Working closely with customers, industry and government officials, we plan to spend more than \$4 billion through 2023 on our self-driving business, including a \$1 billion investment in our technology partner, Argo AI. We tested the technology in vehicles on the streets of several U.S. cities and, building our knowledge of how it responds to specific municipal environments, we've launched our latest test fleet in Austin, Texas.

Progressing toward our ambition to launch a commercial service at scale, we have also expanded our global alliance with Volkswagen to introduce self-driving technology across the U.S. and Europe.

3 Based on full charge when configured with optional extended range battery and rear-wheel drive. Actual range varies with conditions such as external elements, driving behaviors, vehicle maintenance and lithium-ion battery age. Final EPA-estimated ratings are available in the 2020 calendar year.

Safety Insights

The privacy and security of customer information is a salient human rights issue. We take our responsibilities seriously, and have policies on transparency and responsible data handling.

We use the data from connected vehicles to understand and anticipate consumer behavior, and develop innovations to improve people's lives. For example, our Safety Insights tool combines publicly available crash data with information from our vehicles, and assesses the potential benefits of various interventions at specific road sections and junctions. More than 10 public agencies are already using the tool.



ADDRESSING MOBILITY CHALLENGES

We are leading efforts to create safer, more efficient and sustainable transportation networks with a wide range of mobility options. By coordinating all forms of transportation in our growing cities, we hope to improve everything from traffic flow to parking.

Our Transportation Mobility Cloud will enable vehicles, pedestrians and road infrastructure to communicate with each other. Ford vehicles in China and the U.S. will soon be able to tap into this wireless network through cellular vehicle-to-everything (C-V2X) technology, helping make our streets safer and less congested.

Teaming up with research scientists at Microsoft, we've been exploring how quantum computing can help reduce congestion. We simulated thousands of vehicles requesting identical routes across Seattle, Washington, and found that, with the right processing power, navigation systems can minimize commuting times for all vehicles.



“WE ARE EMBRACING CO-LOCATED AND CROSS-FUNCTIONAL TEAMS TO LEVERAGE USER INSIGHTS AND TECHNOLOGIES TO MAKE LIFE BETTER FOR OUR CUSTOMERS, AND BUILD DEEPER, LONGER-TERM RELATIONSHIPS WITH THEM BASED ON TRUST.”

JIM HACKETT, PRESIDENT AND CHIEF EXECUTIVE OFFICER

IMPROVING THE CUSTOMER EXPERIENCE

We're listening to our customers to ensure that each interaction we have with them is tailored to their lifestyles, exceeds their expectations and builds long-term satisfaction.

Our efforts to improve every experience include the FordPass App, which allows customers to receive personalized information, monitor their vehicle, get maintenance reminders and make service appointments. We have also established a new “own the contact” model in our Houston, Texas, contact center, and introduced “transparent” workshops in China to enable customers to follow their vehicles through a service. In addition, we have created hundreds of new Ford Signature dealerships with a fresh look, greater transparency and an improved experience.



“WE ARE JUST AS PASSIONATE ABOUT CUSTOMER EXPERIENCE AS WE ARE ABOUT OUR VEHICLES. IT'S ABOUT BEING THERE FOR OUR CUSTOMERS AS THEY USE OUR PRODUCTS AND SERVICES, AND EARNING THEIR TRUST AT EACH STEP ALONG THEIR JOURNEY. OUR GOAL IS TO CREATE CUSTOMER ADVOCATES BY DELIVERING OWNER AND USER EXPERIENCES WITH HONESTY, EXPERTISE AND CARE.”

JORGE VIVAS, DIRECTOR, GLOBAL CUSTOMER EXPERIENCE STRATEGY

Taking the Next Step

Continuing our existing partnership with Agility Robotics, we acquired two walking “Digit” robots, to explore how commercial vehicle customers can make warehousing and deliveries more efficient and affordable. Digit folds itself up for easy storage in the back of a vehicle and, on reaching its destination, can complete the delivery process “on foot.”



“AS WE LAUNCH THIS YEAR’S SUSTAINABILITY REPORT, WE ARE REMINDED OF HOW CONNECTED WE ALL ARE AND HOW EVERY INDIVIDUAL ACTION WE TAKE, WHETHER RESPONSIBLE OR RECKLESS, CAN HAVE REAL CONSEQUENCES FOR SOMEONE ELSE. THE CORONAVIRUS PANDEMIC HAS SHOWN US HOW POWERFUL IT IS WHEN ACTIONS IN SERVICE TO SOMETHING GREATER, SCALED AROUND THE WORLD, CAN CHANGE HUMAN BEHAVIOR. IT’S A HOPEFUL SIGN THAT WE CAN COME TOGETHER TO ADDRESS THE CHALLENGE OF CLIMATE CHANGE.

SUSTAINABILITY IS ONE OF THE BIGGEST ISSUES FACING BUSINESSES IN OUR TIME, AND I AM VERY PROUD OF THIS YEAR’S REPORT BECAUSE IT DOCUMENTS THE PROGRESS WE ARE MAKING ON THINGS WE HAVE BEEN WORKING ON SINCE LAUNCHING THE REPORT OVER 20 YEARS AGO. FORD IS THE ONLY FULL LINE U.S. AUTOMAKER COMMITTED TO DOING ITS PART TO REDUCE CO₂ EMISSIONS IN LINE WITH THE PARIS CLIMATE AGREEMENT AND WORKING WITH CALIFORNIA FOR STRONGER VEHICLE GREENHOUSE GAS STANDARDS. WE ARE ALSO ELECTRIFYING OUR MOST ICONIC NAMEPLATES BEGINNING WITH THE MUSTANG MACH-E THIS YEAR.

HOWEVER, NONE OF THIS WOULD BE POSSIBLE WITHOUT OUR INCREDIBLE PEOPLE AT FORD. THANKS TO THEM, MORE THAN EVER, WE ARE BUILT FOR GENERATIONS TO COME.”

BILL FORD, EXECUTIVE CHAIRMAN



OUR ASPIRATIONAL GOALS

- Climate Change**
 We aspire to achieve **carbon neutrality** by 2050
- Energy**
 We will use **100 percent locally sourced renewable energy** for all manufacturing plants globally by 2035
- Access**
 We aspire to **drive human progress** by providing mobility and accessibility for all
- Air**
 We aspire to achieve **zero air emissions** from our facilities
- Human Rights**
 We aspire to **responsibly source all raw materials** used within our vehicles globally
- Waste**
 We will achieve **true zero waste to landfill** across our operations
 We will **eliminate single-use plastics** from our operations by 2030
- Water**
 We will make **zero water withdrawals** for manufacturing processes
 We will use **freshwater** for human consumption only
- Materials**
 We aspire to only use **recycled and renewable plastics** in our vehicles globally
- Diversity**
 We aspire to become the **most inclusive and diverse** global company

