

Carbon Disclosure Project (CDP5) Greenhouse Gas Emissions Questionnaire

Ford Motor Company response as at 13 May 2008 13:39

General Introduction

If you would like to give an introduction to your answers, please enter it here.

At Ford, the issue is not abstract. We are the third largest automobile manufacturer in the world. We manufacture and distribute automobiles in 200 markets across six continents. We employ about 280,000 people worldwide and produce passenger cars, trucks, engines, transmissions, castings and forgings and metal stampings of all kinds at 107 wholly owned, equity-owned and joint venture plants around the world. The energy we use to produce our vehicles and power Ford facilities resulted in 6.85 million metric tons of CO2 emissions (CO2 is the most significant of the greenhouse gases) in 2006. Globally, emissions from light-duty vehicles comprise about 11 percent of man-made CO2 emissions. For more detail on the risks and opportunities of climate change, please see page 15 of our sustainability report (www.ford.com/go/sustainability). Concerns about climate change - along with growing constraints on the use and availability of carbon-based fuels - affect our operations, our customers, our investors and our communities. The issue warrants precautionary, prudent and early actions to enhance our competitiveness and protect our profitability in an increasingly carbon-constrained economy. For a full discussion of our approach to climate change and greenhouse gas reduction, please see our 2006/7 sustainability report "For a More Sustainable Future" (www.ford.com/go/sustainability) which was prepared in accordance with the Global Reporting Initiative (GRI) Guidelines. In addition, please refer to our Climate Change Report, issued in December 2005 (www.ford.com/go/sustainability).

Section A - 1 Climate Change Risks, Opportunities and Strategy Question 1(a) (i) - Regulatory risks

For this question, please state the time period and where possible the associated financial implications. What commercial risks does climate change present to your company including regulatory risks associated with current and/or expected government policy on climate change e.g. emissions limits or energy efficiency standards?

As a global manufacturing company, GHG regulations impact many facets of our business. Despite low to moderate CO2 emissions from Ford facilities when compared to other industry sectors, the EU Trading Scheme regulations apply to 15 Ford Motor Company (including Premier Automotive Group) facilities in the UK, Belgium, Sweden, Spain and Germany. The trading scheme requires us to apply for emissions permits, meet rigid emissions monitoring and reporting plans, arrange for third-party verification audits and manage tax and accounting issues related to emissions transactions. For more details on the impact of regulation, please see pages 16 and 20-21 in our sustainability report (www.ford.com/go/sustainability). Ford is actively involved in on-going

evaluation of the European Union Emissions Trading Scheme at both EU and Member State levels. We have used our experience gained from participation in the voluntary market-based mechanisms to ensure Ford operates in compliance with the EU Trading Scheme regulatory framework. Ford anticipated the start of the EU Emissions Trading Scheme and established internal business plans and objectives to maintain compliance with the new regulatory requirements. Ford has established global roles/responsibilities and internal controls including policies and procedures to help ensure compliance with emissions trading initiatives worldwide. From a vehicle standpoint, controlling fuel economy reduces CO2 emissions. In the US, vehicle fuel economy levels have been regulated for more than 30 years. Ford has complied with these regulations throughout the program. The light truck CAFE standards have increased each year from 2005 through 2011. Ford voluntarily addresses greenhouse gas emissions through the North American trading scheme, the Alliance of Automobile Manufacturers voluntary commitment to reduce facility emissions by 2010 and United States Climate Action Partnership (USCAP), the 2005 Canadian Memorandum of Understanding to reduce greenhouse gases from vehicles, and vehicle technology actions such as hybrid and ethanol flexible fuel vehicles. The attached table outlines Ford's commitments to address greenhouse gas emissions from a products point of view. For additional information, please refer to pages 16 and 21 of our sustainability report (www.ford.com/go/sustainability).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(ii) - Physical risks

For this question, please state the time period and where possible the associated financial implications. What commercial risks does climate change present to your company including physical risks to your business operations from scenarios identified by the Intergovernmental Panel on climate Change or other expert bodies, such as sea level rise, extreme weather events and resource shortages?

Extreme weather such as the severe hurricanes the U.S. experienced in the Gulf of Mexico in 2005 disrupts the production of natural gas, a fuel necessary for the manufacture of vehicles. Supply disruptions raise market rates and jeopardize the consistency of vehicle production. To minimize the risk of production interruptions, Ford has established firm delivery contracts with natural gas suppliers and installed propane tank farms at key manufacturing facilities as a source of backup fuel. For more detail on the physical risks of climate change, please refer to page 16 of our sustainability report (www.ford.com/go/sustainability). Although increased rates have a significant cost impact to the Company, they do increase awareness of energy conservation, its impact on the environment, and the need for alternative energy solutions. Increased utility rates have prompted Ford Motor Company to revisit energy efficiency actions that previously did not meet our internal rate of return.

These projects include the replacement/upgrade of HVAC, lighting, and vehicle painting systems.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a) (iii) - Other risks

For this question, please state the time period and where possible the associated financial implications. Apart from any regulatory and physical risks you have described in your answers to questions 1(a) (i) and 1(a) (ii) above, what other commercial risks does climate change present to your company including shifts in consumer attitude and demand?

Please refer to pages 15 and 16 of our sustainability report (www.ford.com/go/sustainability) for a discussion of other risks.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b) - Opportunities

For this question, please state the time period and where possible the associated financial implications. What commercial opportunities does climate change present to your company for both existing and new products and services?

Please refer to pages 15 - 17 of our sustainability report (www.ford.com/go/sustainability) for a discussion of the opportunities climate change presents.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(c) - Strategy

For this question, please state the time period and where possible the associated financial implications. Please detail the objectives and targets of the strategies you have undertaken or are planning to take to manage the risks and opportunities you have detailed in questions 1(a) and 1(b) above. Please include adaptation to physical risks.

As the risks and opportunities posed by climate change have evolved, so has our approach to the issue. Our long-term strategy is to contribute to climate stabilization by:

- Continuously reducing the GHG emissions and energy usage of our operations
- Developing the flexibility and capability to market more lower-GHG-emissions products in line with evolving market conditions
- Working with industry partners, energy companies, consumer groups and policy makers to establish an effective and predictable market, policy and technological framework for reducing road transport GHG emissions

Our evolving product portfolio is by far the most important element of our strategy for (and contribution to) a climate stabilization goal. Our product GHG strategy is unfolding in a series of overlapping phases:

- Technology pilots in which we are accelerating our steps toward integrating innovative fuels, efficiencies and GHG reductions into our cycle plan and building the capability to innovate further.
- Scaling Up in which we take innovative technologies across a range of platforms and develop the full capability to move forward with the most promising technologies in packages that are competitive on performance and convenience;
- Mass Marketing in which low GHG vehicles achieve penetration across vehicle categories and represent significant market share; and
- Drive to Stabilization in which low GHG vehicles reach dominant market share and fleet CO2 emissions converge with a target global stabilization curve.

We have announced publicly several product actions that will increase the number of higher fuel economy, lower GHG emissions vehicles available to our customers, and others we have not announced for competitive reasons. Ford offered the first SUV Hybrid and has announced plans to significantly expand our current production capacity, and will remain an industry leader in HEV technical capability. We also are expanding the application of existing technologies that deliver fuel economy benefits including variable valve timing, aggressive fuel shut off, direct injection gasoline engines, clean diesel, and six-speed transmissions. In addition, we will increase our investment in a portfolio of technologies that deliver improved fuel economy and lower GHG emissions, including:

- Weight optimization and reduction
- Expanded FFV (bio-ethanol) vehicles and partnerships with fuel providers to increase infrastructure
- Gasoline engine downsizing, combined with DISI and boosting
- Hybrid gasoline powerpacks, shared among the brands
- Clean diesels and the technology to allow them to run on biodiesel above 5% blends
- In Europe, diesels with partial hybrid technologies such as engine stop start, regenerative braking, parallel lithium-ion batteries or super-capacitors
- Hydrogen ICE engine demonstration fleets
- Hydrogen fuel cell research and demonstration fleets
- Hybrid electric plug-in research and demonstration fleet.

At the portfolio level, the mix of vehicles we sell will continue to be dictated by the marketplace, but we believe that the trend towards more fuel efficient vehicles, such as cross over vehicles and smaller SUVs will continue. In addition, by utilizing common platforms, we will be able to offer greater fuel economy across a wide range of product designs.

Specifically, we will be better able to apply weight reductions achieved in one model to other models without compromising safety, quality or performance. We are also moving to a system that makes greater use of set combinations of engines and transmissions. An increasing portion of our products will employ these powerpack drivetrains which are optimized for fuel efficiency. Our plan also includes innovations aimed at the fuel part of the equation. Since 1997 we have produced over 2.0 million flexible fuel vehicles (FFV) capable of using fuel blends with up to 85 percent bio-ethanol. While current bio-ethanol production in the US, in contrast with other countries, does not provide a substantial reduction in GHG emissions on a well-to-wheels basis, having a substantial fleet of FFVs in operation is a bridge to widespread use of lower carbon biofuels in the future. In Europe, Ford was the first manufacturer to introduce FFV technology when it launched the product in Sweden (2001). In 2005 Ford took the step of making the Focus FFV available across Europe and it is presently on sale in the UK, Germany, Spain, France, Netherlands, Austria, Ireland, Switzerland, Norway, Sweden and will soon be launched in more European markets. Ford also is actively pursuing a number of potential marketing and lobbying initiatives, jointly with Volvo, to position Ford as a leader in AFV/FFV, and to gain tax concessions and incentives facilitating a fuel infrastructure and sales growth in key markets. Through such initiatives France has now adopted an incentive and tax concession structure, similar to Sweden's, and their E85 fuel infrastructure will grow from a handful of E85 pumps at the beginning of the year to about 500 by the end of the year. Services In April 2006 Ford partnered with TerraPass to launch an industry first, innovative customer carbon offset program, Greener Miles™. This program offers vehicle owners the opportunity to offset the climate impact of their driving through the support of projects that reduce greenhouse gas emissions. Through Greener Miles™ drivers can calculate the amount of CO2 emissions they generate in one year of driving by visiting www.terrapass.com/ford. Customers then have the opportunity to purchase an offset that supports the production of renewable clean energy from wind or dairy farm methane. This pilot program gives customers a simple way to be voluntary, active participants in addressing the challenges of climate change. All of the carbon offset purchases are third party verified by the Center for Resource Solutions, one of the country's leading authorities on renewable and clean energy issues. Customers receive a vehicle decal as a visual symbol of their participation in the Greener Miles™ program. In addition, a pilot program also is underway to offset the greenhouse gasses emitted in the manufacture of Ford's hybrid electric vehicles with investments in projects, such as renewable clean energy production that reduce emissions elsewhere. (Ford manufactures the Ford Escape Hybrid and Mercury Mariner Hybrid at its vehicle assembly plant in Kansas City, MO.) Our Land Rover brand has built upon the Greener Miles model by including three years' worth of carbon offsets in the purchase price of its 2007MY vehicles in the UK. The program, developed and run in partnership with the NGO Climate Trust, is part of an integrated approach that includes fuel economy improvements to the vehicles and offsets for all of Land Rover's manufacturing GHG emissions. The offset cost of £85 to £165 (approximately \$165 to \$325) is included on the invoice to the customer, and is clearly communicated by the dealer. This amount represents 45,000 miles (equivalent to three years' average driving). Land Rover tested the program with customers before its launch and found that they were prepared to play an active role. The program, which will run through 2008, is projected to offset 2.5 million tonnes of CO2 in total, including 600,000 tonnes related to manufacturing emissions and the balance to customer vehicle use. Land Rover selects offset projects in the areas of renewable energy, energy efficiency and technology change cooperatively with Climate Care, with consideration also given to the social and environmental benefits of the project. In March 2007, the

first offset projects were announced, including providing run-of-river hydro-electric power to a remote area of Tajikistan and funding a wind farm in China.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Section A - 2 Greenhouse Gas Emissions Accounting
Question 2(a) (i) - Methodology - Accounting Year

Please state the accounting year used to report GHG emissions.

Financial accounting year:31 December 2006

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(a) (ii) - Methodology

Please state the methodology by which emissions are calculated.

GHG Protocol

Please provide additional information below

CO2 emissions from energy usage (e.g., electricity, natural gas, and coal) represent the significant source of greenhouse gas emissions from our manufacturing facilities. For our emissions reports, we use the GHG Protocol Scopes 1 and 2. Our direct CO2 emissions "within the fence posts" are from combustion of natural gas and coal. Indirect CO2 emissions from usage of purchased electricity comprise roughly two-thirds of our total manufacturing-related CO2 emissions. Our commitment letter to CCX covers CO2 emissions from energy used at manufacturing facilities throughout North America (Canada, Mexico, and U.S.) (both direct and indirect emissions sources). We report joint venture emissions based upon our equity ownership split.

Please state the reporting boundaries for the data provided in this questionnaire

Option 1 - per consolidated financial statements

Please provide additional information below

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(a) (iii) - Methodology - External verification

Please state whether the information provided has been externally verified or audited.

Yes

Over two-thirds of Ford's global facility GHG emissions are third-party verified. All of Ford's North American GHG emissions data since 1998 are externally verified by NASD, the auditors of the NASDAQ stock exchange, as part of membership in the Chicago Climate Exchange. In addition, all of our European facilities impacted by the mandatory EU Trading Scheme and voluntary UK Trading Scheme are third-party verified.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(a) (iv) - Methodology - Variations in emissions

Please provide an explanation for any significant variations in emissions from year to year eg: due to major acquisitions, divestments, introduction of new technologies etc

Please refer to page 37 of our sustainability report (www.ford.com/go/sustainability) for notes on our emissions data.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b) - Scope 1 and Scope 2 GHG Protocol - Year 1 answers

Please state your direct and indirect GHG emissions in metric tonnes CO2e for global and Annex B countries. If you are having difficulty reporting your emissions figures in CO2e metric tonnes please see the further guidance on answering the CDP5 questionnaire available [here](#).

Please enter the accounting year used to report GHG emissions details below.

31 December 2006

Total Global Emissions

6800000 CO2e metric tonnes

Total Emissions Annex B countries

2400000 CO2e metric tonnes

Scope 1 activity emissions globally

2400000 CO2e metric tonnes

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

4400000 CO2e metric tonnes

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

21042503MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the percentage of purchased and consumed MWh of electricity from renewables globally.

3%

Please state the percentage of purchased and consumed MWh of electricity from renewables in Annex B countries.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Please refer to our sustainability report website (www.ford.com/go/sustainability) for a case study on Ford's Dagenham Diesel Centre use of alternative power.

Question 2(b) - Scope 1 and Scope 2 GHG Protocol - Year 2 answers

Please state your direct and indirect GHG emissions in metric tonnes CO2e for global and Annex B countries. If you are having difficulty reporting your emissions figures in CO2e metric tonnes please see the further guidance on answering the CDP5 questionnaire available here.

Please enter the accounting year used to report GHG emissions details below.

31 December 2005

Total Global Emissions

8000000 CO2e metric tonnes

Total Emissions Annex B countries

Scope 1 activity emissions globally

2700000 CO2e metric tonnes

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

5300000 CO2e metric tonnes

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

22361323MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the percentage of purchased and consumed MWh of electricity from renewables globally.

3%

Please state the percentage of purchased and consumed MWh of electricity from renewables in Annex B countries.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b) - Scope 1 and Scope 2 GHG Protocol - Year 3 answers

Please state your direct and indirect GHG emissions in metric tonnes CO2e for global and Annex B countries. If you are having difficulty reporting your emissions figures in CO2e metric tonnes please see the further guidance on answering the CDP5 questionnaire available [here](cdp5reportingguidance.asp).

Please enter the accounting year used to report GHG emissions details below.

31 December 2004

Total Global Emissions

8400000 CO2e metric tonnes

Total Emissions Annex B countries

Scope 1 activity emissions globally

2800000 CO2e metric tonnes

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

5600000 CO2e metric tonnes

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

23533607MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the percentage of purchased and consumed MWh of electricity from renewables globally.

Please state the percentage of purchased and consumed MWh of electricity from renewables in Annex B countries.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b) - Scope 1 and Scope 2 GHG Protocol - Year 4 answers

Please state your direct and indirect GHG emissions in metric tonnes CO2e for global and Annex B countries. If you are having difficulty reporting your emissions figures in CO2e metric tonnes please see the further guidance on answering the CDP5 questionnaire available here.

Please enter the accounting year used to report GHG emissions details below.

31 December 2003

Total Global Emissions

8500000 CO2e metric tonnes

Total Emissions Annex B countries

Scope 1 activity emissions globally

3000000 CO2e metric tonnes

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

5500000 CO2e metric tonnes

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

24383514MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the **percentage** of purchased and consumed MWh of electricity from renewables globally.

Please state the **percentage** of purchased and consumed MWh of electricity from renewables in Annex B countries.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b) - Scope 1 and Scope 2 GHG Protocol - Year 5 answers

Please state your direct and indirect GHG emissions in metric tonnes CO2e for global and Annex B countries. If you are having difficulty reporting your emissions figures in CO2e metric tonnes please see the further guidance on answering the CDP5 questionnaire available [here](cdp5reportingguidance.asp).

Please enter the accounting year used to report GHG emissions details below.

31 December 2002

Total Global Emissions

8700000 CO2e metric tonnes

Total Emissions Annex B countries

Scope 1 activity emissions globally

3200000 CO2e metric tonnes

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

5500000 CO2e metric tonnes

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

24530049MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the **percentage** of purchased and consumed MWh of electricity from renewables globally.

Please state the percentage of purchased and consumed MWh of electricity from renewables in Annex B countries.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(c) - Scope 3 of GHG Protocol - Year 1 answers

Please enter the accounting year used to report GHG emissions details below.

31 December 2006

If possible, please provide estimates in metric tonnes CO2e for the following categories of emissions: Use/disposal of company's products and services

Please see the attached document for information on the impact of our products.

Your supply chain

Please see the attached document for information about our supply chain.

External distribution/logistics

Please refer to our sustainability report website (<http://www.ford.com/en/company/about/sustainability/2006-7/envPerformanceOperationalLogistics.htm>) for a examination of Ford's logistics footprint.

Employee business travel

Other

Please provide details of the sources of emissions if you have entered a figure in the "Other" box

Please provide further information about your measurement of scope 3 emissions.

Please refer to page 17 of our sustainability report (www.ford.com/go/sustainability) for estimates of Ford's GHG emissions.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Section B - 3 Additional Greenhouse Gas Emissions Accounting
Question 3(a) - Scope 1 and Scope 2 GHG Protocol emissions per country

Using the methodology set out in 2(a), please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Ford voluntarily submits data on its U.S. emissions to the U.S. Department of Energy (DOE) 1605(b) Greenhouse Gas Registry on an annual basis. In 2005, Ford of Mexico was the first company from any industry to voluntarily report facility Greenhouse Gas (GHG) emissions to a new Mexican GHG Pilot Program. See <http://www.ford.com.mx/corporative/corporative.asp> and click "Greenhouse Gas Report" for additional information. For additional information on GHG emissions per country, please refer to our sustainability website

<http://www.ford.com/en/company/about/sustainability/2006-07/envPerformanceClimate.htm>).

Question 3(b) - Facilities covered by the EU Emissions Trading Scheme

Please provide details of total emissions in metric tonnes CO₂e for all facilities covered by the EU ETS and details of allowances issued under the applicable National Allocation Plans

Emissions from the total of all facilities covered by EU ETS figure in metric tonnes CO₂e

352931metric tonnes CO₂e

Total number of allowances issued under all National Allocation Plans applicable to installations covered by the EU ETS

578245metric tonnes CO₂e

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 3(c) - EU ETS impact

What has been the impact on your profitability of the EU Emissions Trading Scheme?

As a matter of policy, we do not disclose financial aspects related to Company profitability. Administering the paperwork, verification, data collection associated with the 15 Ford facilities covered by the EU ETS is a time and resource intensive exercise. Ford and other companies and industry associations actively work with the EU and member country governments to streamline the administrative requirements for future phases.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Section B - 4 Greenhouse Gas Emissions Management
Question 4(a) (i) Reduction programmes

What emission reduction programs does your company have in place? Please include any reduction programs related to your operations, energy consumption, supply chain and product use/disposal.

Does your company have an emissions reduction program?

Yes

What is the baseline year for the emissions reduction program? (YYYY format eg. 1990)

2000

If you do not use a baseline year for your reduction programme, please provide details of your reference point for the programme here.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

The EPA recognized Ford's performance by awarding it Energy Star Partner of the Year in 2006 and 2007, the first time an automaker has received this recognition in consecutive years. In September 2006, for the first time, the EPA awarded 17 U.S. manufacturing plants with Energy Star recognition for their superior energy efficiency. Four Ford plants received the award - Chicago, St. Paul, Norfolk and Claycomo, Missouri - more than any other automaker.

Question 4(a) (ii) Reduction programmes

What are the emissions reduction targets and over what period do those targets extend?

Emissions reductions target (%)

3%

Time frame for reduction target

year over year

Further information.

Please refer to the attached document for question 4(a)(i).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(a)(iii) Reduction programmes

What investment has been/will be required to achieve the targets. (In US \$)

Over what time period? (In years)

More detail

For detail on Ford's reduction programs, please refer to the attached document for Question 4(a)(i) and our sustainability report website (<http://www.ford.com/en/company/about/sustainability/2006-07/env.htm>).

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(a) (iv) Reduction programmes

What emissions reductions and associated costs or savings have been achieved to date as a result of the program?

[Please refer to the attached document for Question 4\(a\) \(i\).](#)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(a) (v) Reduction programmes

What renewable energy and energy efficiency activities are you undertaking to manage your emissions?

[Please refer to page 15 of our sustainability report \(www.ford.com/go/sustainability\).](#)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(b) Emissions trading

What is your company's strategy for trading in the EU Emissions Trading Scheme, CDM/JI projects and other trading systems (e.g. CCX, RGGI, etc), where relevant? Explain your involvement for each of the following:

EU ETS

[Despite low to moderate CO2 emissions from Ford facilities when compared to other industry sectors, the EU Trading Scheme regulations apply to 15 Ford Motor Company \(including Premier Automotive Group\) facilities in the UK, Belgium, Sweden, Spain and Germany. The trading scheme requires us to apply for](#)

emissions permits, meet rigid emissions monitoring and reporting plans, arrange for third-party verification audits and manage tax and accounting issues related to emissions transactions. Ford is actively involved in on-going evaluation of the European Union Emissions Trading Scheme at both EU and Member State levels. We have used our experience gained from participation in the market-based mechanisms described above to ensure Ford operates in compliance with the EU Trading Scheme regulatory framework. Ford anticipated the start of the EU Emissions Trading Scheme and established internal business plans and objectives to maintain compliance with the new regulatory requirements.

CDM/JI

Ford actively monitors developments under the Kyoto CDM/JI initiatives, RGGI, and other national/regional climate change initiatives. However, Ford does not currently have specific CDM/JI projects.

CCX

Ford, along with 11 other companies and the City of Chicago, founded the Chicago Climate Exchange. Ford committed to reduce U.S. facility GHG emissions by 4 percent by 2006, based upon an average 1998-2001 baseline period. This initiative was recently extended with a 6 percent overall reduction target by 2010. The Exchange marks the first time in the United States that major companies in multiple industries have made a voluntary binding commitment to use emissions trading for reducing their North American greenhouse gas emissions. The Exchange will enable participants to receive credit for their reductions and buy and sell credits to find the most cost-effective way of achieving reductions.

RGGI

Ford does not have any facilities directly impacted by the RGGI program.

Others

Ford was also one of the original companies to join the UK Emissions Trading Scheme, the first formal, economy-wide, cross-industry greenhouse gas trading program. Ford Motor Company Limited (UK) entered the program in March 2002, committing to a 5 percent CO2 reduction target for eligible plants and facilities over five years. In April 2002, Ford Motor Company Limited completed its first CO2 transaction.

More detail

Ford has established global roles/responsibilities and internal controls including policies and procedures to help ensure compliance with emissions trading initiatives worldwide.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(c) Emissions intensity

Please state which measurement you believe best describes your company's emissions intensity performance? What are your historical and current emissions intensity measurements? What are your targets?

Best measurement of emissions intensity for you company

Historical intensity details

Current intensity details

Target details

As part of our commitment under the U.S. Climate Vision program, Ford and other Alliance of Automobile Manufacturers have committed to reduce U.S. CO2 emissions by 10% per vehicle manufactured between 2002 and 2012.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(d) Energy costs

What are the total costs of your energy consumption e.g. from fossil fuels and electric power? What percentage of your total operating costs does this represent?

Total costs of energy consumption (in US\$)

Percentage of total operating costs (%)

More Details.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(e) Planning

Do you estimate your company's future emissions? If so please provide details of these estimates and summarize the methodology for this. How do you factor the cost of future emissions into capital expenditure planning? Have these considerations made an impact on your investment decisions?

Do you estimate your company's future emissions?

Yes

Please provide details of these estimates and summarize the methodology for this or provide details of why you do not estimate your company's future emissions.

Ford uses its Global Emissions Manager (GEM) database to centrally forecast future CO2 emissions quarterly for business planning purposes. This is part of our internal control process to ensure compliance with all environmental and financial requirements associated with emerging emissions trading markets.

How do you factor the cost of future emissions into capital expenditure planning?

Our internal capital investment project approval process ensures consideration is given to energy usage (and CO2 emissions) and other environmental impacts prior to final project approval.

Have these considerations made an impact on your investment decisions?

Yes

Please provide details below.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Section B - 5 Climate Change Governance - Responsibility
Question 5(a) (i) Responsibility

Which Board Committee or other executive body has overall responsibility for climate change?

The issue of climate change is integrated into our overall business and global operations. Managing the day to day issues involves many functions and multiple aspects of our business and our strategy is guided by an executive leadership team comprised of corporate officers from product development, environmental engineering, manufacturing, purchasing, finance, government affairs, marketing, public affairs and investor relations. This group is supported by a cross-functional, global, executive steering group engaged in managing the issue and developing strategic responses. This activity is coordinated by the Director of Sustainable Business Strategies. Issues and opportunities are also raised at the highest levels of management within the Company, including the Board of Directors. The Environmental and Public Policy Committee of the Board of Directors is responsible for reviewing the Company's climate change strategy and actions. We have also developed strategic principles to guide our approach. As a sign of Ford Motor Company's commitment to these issues at a high level, Sue Cischke was promoted to Senior Vice President of Sustainability, Environment and Safety Engineering. For more detail on Ford's executive focus on climate change and sustainability, please refer to page 18 of our sustainability report (www.ford.com/go/sustainability). Our formal external communications on climate

change include our 10-K Report, Sustainability Report, and the industry's first Climate Change Report.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 5(a) (ii) Responsibility

What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

Ford's governance of sustainability issues builds on a strong foundation of Board of Director and senior management accountability for the Company's environmental, social and economic performance. At the Board level, the Environmental and Public Policy Committee has primary responsibility for reviewing strategic issues related to sustainability, though sustainability issues are also addressed in other committees and by the Board as a whole. Within management, the Senior Vice President of Sustainability, Environment and Safety Engineering - a new position created in 2007 - has primary responsibility for sustainability issues.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 5(b) Individual performance

Do you provide incentive mechanisms for managers with reference to activities relating to climate change strategy, including attainment of GHG targets?

Yes

If so, please provide details.

In product development goals are set for individuals and teams on vehicle and fleet fuel economy. In manufacturing, specifically our plant managers, goals are set for energy and water use.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

General Information

Please add any general information and attachments that are not related to a specific question but that you would still like to include with your response here.