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## Society

**IN THIS SECTION:**

- See how we are engaging with stakeholders
- Learn more about our community giving



Maintaining strong and open relationships with our stakeholders plays an important role in our ability to meet our goals.

Our operations affect a broad range of stakeholders. We believe that maintaining strong and open relationships with our employees, customers, suppliers, dealers, investors and society at large plays an important role in our ability to meet our goals.

RELATED LINKS

This Report:  
Materiality Analysis

Positive relationships with employees and business partners help us improve efficiencies, cost and quality, and develop and deliver new innovations. Effective two-way communication with our customers, dealers and other stakeholders helps us understand and deliver the products that customers want. Strong relationships with our suppliers enable us to work together to implement the environmental and human rights initiatives that are critical to a sustainable business.

### Assessing Materiality

Our [materiality analysis](#) identified that our relationships with stakeholders are an important issue for both the Company and our stakeholders. Specifically, the analysis identified the issues of employee relationships, supplier relationships, dealer relationships, and diversity and inclusion as highly or moderately important. In addition, workplace health and safety was identified as an issue of high potential impact on Ford and of moderate concern to stakeholders. We also found the issues of community engagement, impacts and contributions to be of high concern to stakeholders – particularly, of course, to members of the communities most directly affected by the Company – and of moderate potential impact on Ford. All of these types of issues are addressed in this section.

The materiality analysis showed customers to be most concerned with issues related to the competitiveness of our products, including fuel economy, quality, safety and tailpipe emissions. They were also concerned about clean vehicle and fuel technologies. These issues are addressed in the [Climate Change](#), [Environment](#) and [Economy](#) sections of this report.



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## Progress and Goals

Over the last year, we made progress in a number of areas related to our key stakeholders. For example, we:

- Showed improvement in 72 percent of the 52 items evaluated in our employee Pulse survey. Among our salaried employees, overall employee satisfaction in 2009 improved slightly over 2008 levels.
- Continued our trend of steady and marked improvement in our global lost-time case rate (a major safety indicator); it dropped 14 percent from 2008 to 2009.
- Reinstated two important employee benefit programs for eligible salaried employees and approved funding for merit increases in 2010 in the United States.
- Launched a new, voluntary initiative for Ford and Lincoln Mercury dealers to reduce their carbon footprints and improve the energy efficiency of their dealerships.
- Increased our network of key suppliers to strengthen collaboration and drive mutual profitability and technology development.
- Expanded our leadership role in supplier diversity, adding to our program aimed at improving technical expertise of minority- and women-owned suppliers.
- Continued to win recognition for our diversity efforts.
- Supported hundreds of organizations with charitable grants totalling \$29 million.
- Provided more than 100,000 hours of employee and retiree community service work – the equivalent of \$2 million in in-kind corporate contributions.
- Surveyed our own employees about what sustainability means to them.

**\$29 million**

The amount of charitable grants the Ford Fund and other corporate giving programs gave to hundreds of organizations.

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



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## Who Are Our Stakeholders?

We have sustained, interdependent relationships with several distinct categories of stakeholders: employees, customers, dealers, suppliers, investors and communities. Also important is our relationship to "society," which includes government agencies, nongovernmental organizations (NGOs) and academia. We identified these categories of stakeholders through internal analysis and discussion during the early phases of developing our sustainability programs.

### Employees

At year-end 2009, we employed approximately 176,000 individuals at 80 plants worldwide. Substantially all of the hourly employees in our Automotive operations in the United States are represented by unions and covered by collective bargaining agreements. Most hourly employees and many nonmanagement salaried employees of our subsidiaries outside the United States are also represented by unions. These unions are key partners with Ford in providing a safe, productive and respectful workplace.

Ford faces workplace health and safety challenges similar to those of many multinational manufacturing companies. These challenges include, for example, establishing and reinforcing high, common expectations for the safety of our employees worldwide. Most of our manufacturing facilities have joint union/management safety committees that guide the development and implementation of safety programs in their operations.

### Customers

Ford's customers make us who we are. Ford Motor Company serves more than 4.8 million customers worldwide. Our major regional markets include North America, South America, Western Europe, Eastern Europe, Russia, Asia and Australia.

In these regions, we serve three primary types of customers: individual retail consumers, small business customers and large commercial fleet customers. We will continue to expand our products and services for these existing customers while working simultaneously to gain new customers in emerging markets. In North America, we are focusing on increasing our offerings of smaller and more fuel-efficient vehicles. In all of our markets, our customers' mobility needs and desires are changing faster than ever.

### Dealers

Our dealers are the face of Ford to our customers and communities. They are key employers and contributors to local economies. Ford and Lincoln Mercury dealers in the United States alone employed 155,687 individuals at the end of 2009, with an annual payroll of approximately \$5.5 billion.

### Suppliers

Suppliers are an integral part of our business, and our success is interdependent with theirs. We rely on 1,600 production suppliers to provide many of the parts that are assembled into Ford vehicles. Another 7,000 suppliers provide a wide range of nonproduction goods and services, from industrial materials to computers to advertising.

We have reduced the total number of production suppliers eligible for new product sourcing from 3,300 in 2004 to about 1,600 in 2009 and 1,500 in 2010. We have identified specific plans that will take us to about 850 suppliers in the near- to mid-term, with a further reduction to about 750 suppliers targeted.

Our supply base is increasingly global. We are expanding production in several regions to serve the sales growth that is expected to occur in emerging markets. We are also expanding our

sourcing in these lower-cost emerging markets, as a way to serve both local markets and the global supply chain. These changes, and our efforts to ensure good working conditions in our supply chain, are discussed in detail in the [Human Rights](#) section of this report.

## Investors

Our success as a company directly affects our approximately 165,000 investors. We have been focused on returning the company to profitability. (We now expect to deliver solid profits in 2010 with positive Automotive operating-related cash flow.) More information on our investors is available in the [Economy](#) section of this report. For detailed investor relations information, please visit: [www.fordmotorcompany.com/about-ford/investor-relations](http://www.fordmotorcompany.com/about-ford/investor-relations).

We continue to maintain open communication with the investment community. We regularly host conference calls and participate in key automotive conferences during the year. In addition, our Investor Relations Web site is a good source of information for investors. It contains various Company reports, a schedule of events and investment information.

## Communities

Our Company impacts the communities in which we operate in numerous ways, from the employment we provide and the taxes we pay, to the environmental and safety performance of our operations, to the ways in which we support and participate in civic life. Responsibly managing these impacts is not just about being a good neighbor; it is fundamental to the success of our business.

The communities in which we operate are composed of a diverse range of individuals and groups. They include our customers, our employees, our business partners and their employees, government regulators, members of civil society and community organizations, and those individuals who live and work around our facilities, among others. Developing and maintaining positive relationships with these varied groups is an important factor in our reputation and operational efficiency.

## Engaging with These Stakeholders

Stakeholder engagement takes place in countless formal and informal ways every day across our Company, from meetings with local community groups to market research with customers to gatherings of Ford dealers and suppliers.

At the corporate level, we use a variety of mechanisms to engage with stakeholders on sustainability issues to help us better understand the broader societal issues that our Company addresses. Some of these are informal and ad hoc. In fact, simply picking up the telephone to discuss an issue with any of the numerous sustainability-related organizations or individuals with whom Ford has a relationship is a part of our standard protocol.

Indeed, the very process of engaging with stakeholders on our Sustainability Report has led to expanded and enhanced information in a number of areas, including our positions on key public policy and other issues.

Some of our more formal engagement mechanisms include the following:

- The creation of forums to gather stakeholder input on our activities, challenges and performance. As noted above, we work with stakeholder committees to help shape and provide feedback on our Sustainability Reports. We have also organized meetings with individuals and groups of stakeholders to solicit input on the key sustainability challenges and opportunities facing Ford. These and other engagements have provided valuable feedback on our sustainability strategy.
- Outreach on emerging and ongoing issues of particular importance to Ford or our stakeholders. We believe we have taken a thoughtful approach to our stakeholders as we work through challenging issues. For example, stakeholder input has been critical to the development and testing of our approach to human rights over the past several years. Several organizations, notably the Interfaith Center on Corporate Responsibility (ICCR), have been key partners with Ford, providing information, input and feedback at every step of the process, especially during conversations around shareholder resolutions. Our engagement with the ICCR and other stakeholders led us in part to make our public commitment to a 30 percent CO<sub>2</sub> reduction by 2020. We have done outreach to the United Nations Global Compact, particularly as we developed our strategy to be a global leader in human rights, and have worked with stakeholders to address specific issues in the automotive industry supply chain (see the [Human Rights](#) section for more detail).
- We also devoted particular efforts to engaging stakeholders on issues related to sustainable mobility, as further described in the Mobility section of this report. For example, we have

partnered with the Cascadia Center for Regional Development to investigate integrated transportation solutions in high-traffic corridors. What began as an informal discussion developed into a more formalized process with several NGOs and state officials.

- Engagement with local stakeholders in the communities in which we operate as part of our Code of Basic Working Conditions assessment process.
- Consultation with organizations that have implemented campaigns targeting Ford.
- Engagement with rating and ranking organizations in the investment community. This has provided insight into external perspectives on some important issues and our relative performance in addressing them.
- Offering new product test-drive opportunities to our employees, who, in turn, communicate about our vehicles to their friends and families.

Stakeholder	Communication Forums
<p><b>Communities/Society</b></p> <p>347 plants; distribution centers/warehouses; and engineering, research/development and sales facilities worldwide*</p> <p>*We have announced plans to close a number of North American facilities as part of our restructuring actions; facilities that have been closed to date are not included in the table. The table includes five facilities operated by Automotive Components Holdings, LLC (ACH), which is controlled by us. We have been working to sell or close the majority of the 15 ACH manufacturing plants; to date, we have sold five ACH plants and closed another five. We plan to close a sixth plant in 2011. We are exploring our options for the remaining ACH plants and intend to transition these businesses to the supply base as soon as practicable.</p>	<ul style="list-style-type: none"> <li>● Community Relations Committees</li> <li>● Interactions with governments</li> <li>● Membership in associations</li> <li>● NGO dialogues</li> </ul>
<p><b>Investors</b></p> <p>165,026 stockholders*</p> <p>*As of February 12, 2010</p>	<ul style="list-style-type: none"> <li>● Investment community forums</li> <li>● Quarterly earnings communications</li> <li>● Annual shareholders meeting</li> <li>● Annual report</li> <li>● Proxy statement</li> <li>● SEC filings (e.g., 10-K, 10-Q, 8-K)</li> </ul>
<p><b>Customers</b></p> <p>4.8 million vehicles</p>	<ul style="list-style-type: none"> <li>● Consumer Insight process</li> <li>● Customer care programs</li> <li>● Dealer interactions</li> </ul>
<p><b>Suppliers</b></p> <p>1,600 production suppliers 7,000 nonproduction suppliers Over \$65 billion annual buy</p>	<ul style="list-style-type: none"> <li>● Top supplier meetings</li> <li>● Aligned Business Framework supplier dialogue sessions</li> <li>● Supplier quality roundtables</li> <li>● Supplier Diversity Development Networking</li> <li>● External supplier organizations, such as the Automotive Industry Action Group and the Original Equipment Suppliers Association</li> </ul>
<p><b>Dealers*</b></p> <p>Ford: 11,682 Mercury: 1,780 Lincoln: 1,376 Volvo: 2,269</p> <p>* Worldwide dealerships, as of December 31, 2009. Because many of these dealerships distribute more than one of our brands from the same sales location, a single dealership may be counted under more than one brand.</p>	<ul style="list-style-type: none"> <li>● Intranet communications</li> <li>● Brand sales and service representatives</li> <li>● Brand Dealer Councils</li> <li>● Dealer roundtables</li> <li>● President's Circle</li> <li>● Salute to Dealers</li> <li>● Advertising and public service announcements</li> </ul>
<p><b>Employees</b></p> <p>Approximately 176,000 employees*</p> <p>*As of December 31, 2009. These employee numbers do not include dealer personnel; 2009 employee numbers were adjusted to reflect the new accounting standard on the deconsolidation of many of our variable interest entities.</p>	<ul style="list-style-type: none"> <li>● Town hall meetings</li> <li>● Labor-management committees</li> <li>● Pulse survey</li> <li>● Union representation</li> <li>● Intranet surveys and chats</li> <li>● Executive Council on Diversity</li> <li>● Local Diversity Councils</li> <li>● Employee Resource Groups</li> </ul>



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## Employees

Our employees are our most valuable resource. They are the ones who have helped us weather this most recent difficult period and who are moving us forward on our path to success.

Our "ONE Ford" program, now in its third year, aligns our efforts toward a common definition of success. ONE Ford provides consistent goals and expectations for employees, whether they work in Michigan or Shanghai, with a clear focus on the skills and behaviors we must demonstrate to accomplish One Team, One Plan, One Goal. All members of our global team are held accountable for incorporating ONE Ford into their daily work.

We have incorporated ONE Ford into our people processes to support employee development and drive accountability for moving the Company forward while demonstrating expected behaviors that tie back to our business:

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

It is more important than ever that we invest in our employees, strengthen their technical and leadership skills and recognize them for delivering results that cultivate success. Even during our most difficult times, we have kept a focus on learning and leadership development.

All employees are encouraged to invest in their own professional development by developing an Individual Development Plan, or IDP, to help them meet current and future goals while maximizing performance in their current assignments. Employees work with their managers to help them identify strengths and areas for improvement.

We provide a comprehensive range of learning and development resources that align with ONE Ford. These include web-based and classroom training, special projects and task forces, as well as mentoring and coaching to foster functional and technical excellence, encourage teamwork, promote Ford values and enhance our ability to deliver results.

Similar to our vehicle strategy, our learning and development strategy has been to leverage our global scale and "commonize" as much as possible. We have created internal "colleges" that provide education and training in areas ranging from finance and information technology to product development and marketing. We offer global leadership development programs, including the Global Leadership Summit, which is aimed at executives and general managers, and the Global Executive Leadership Program, which is geared toward directors and senior managers. 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.



# ONE FORD

ONE TEAM • ONE PLAN • ONE GOAL

## ONE TEAM

People working together as a lean, global enterprise for automotive leadership, as measured by:

*Customer, Employee, Dealer, Investor, Supplier, Union/Council, and Community Satisfaction*

## ONE PLAN

- Aggressively restructure to operate profitably at the current demand and changing model mix
- Accelerate development of new products our customers want and value
- Finance our plan and improve our balance sheet
- Work together effectively as one team

## ONE GOAL

An exciting viable Ford delivering profitable growth for all

## Expected Behaviors

### Foster Functional and Technical Excellence

- Know and have a passion for our business and our customers
- Demonstrate and build functional and technical excellence
- Ensure process discipline
- Have a continuous improvement philosophy and practice

### Own Working Together

- Believe in skilled and motivated people working together
- Include everyone; respect, listen to, help and appreciate others
- Build strong relationships; be a team player; develop ourselves and others
- Communicate clearly, concisely and candidly

### Role Model Ford Values

- Show initiative, courage, integrity and good corporate citizenship
- Improve quality, safety and sustainability
- Have a can do, find a way attitude and emotional resilience
- Enjoy the journey and each other; have fun - never at others' expense

### Deliver Results

- Deal positively with our business realities; develop compelling and comprehensive plans, while keeping an enterprise view
- Set high expectations and inspire others
- Make sound decisions using facts and data
- Hold ourselves and others responsible and accountable for delivering results and satisfying our customers



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## Workforce Reductions

In recent years, we have had to take painful but necessary steps to reduce our salaried and hourly workforce, as part of our multi-year effort to return our North American operations to profitability.

Since 2005, we have reduced employment levels in our Ford North America business unit by about 65,700 individuals. We also have closed 12 manufacturing facilities in North America (including Automotive Components Holding plants). Four additional plant closures are slated to take effect by 2011.

As of December 31, 2009, our Ford North America business unit had approximately 70,000 salaried and hourly employees, including those at our ACH facilities. This compares with approximately 135,700 salaried and hourly employees on December 31, 2005. Most of our hourly worker reductions were the result of early retirement offers and voluntary separation packages to U.S. employees, including Ford employees at our ACH plants.

In 2009, we offered 42,000 hourly employees two opportunities to accept buyout and early retirement offers, which included payments of up to \$70,000 for newer workers and up to \$60,000 for those already eligible for retirement. Approximately 1,300 hourly employees accepted a buyout offer last year. We have attempted to handle workforce separations and plant closings with respect for the people and communities affected.

Ford fully complies with the federal Worker Adjustment and Retraining Notification Act (WARN), which requires companies to provide 60-day notifications of plant closures to employees.

See the Economy section of this report for more information on the [plant closures and separation agreements](#).

We have entered into collective bargaining agreements with the UAW (the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America) and CAW (the National Automobile, Aerospace, Transportation and General Workers Union of Canada). In 2007, we negotiated with the UAW a transformational agreement, enabling us to improve our competitiveness by establishing a Voluntary Employee Benefit Association (VEBA) trust to fund our retiree health care obligations.

In March 2009, Ford-UAW membership ratified modifications to the existing collective bargaining agreement that significantly improved our competitiveness, saving us up to \$500 million annually and bringing us near to competitive parity with the U.S. operations of foreign-owned automakers. The operational changes affected wage and benefit provisions, productivity, job security programs and capacity actions, allowing us to increase manufacturing efficiency and flexibility. Modifications to the VEBA Trust allowed for the smoothing of payment obligations and provided us the option to satisfy up to approximately 50 percent of our future payment obligations to the UAW VEBA Trust in Ford common stock.

On November 1, 2009, the CAW announced that a majority of its members employed by Ford Canada had voted to ratify modifications to the terms of the existing collective bargaining agreement between Ford Canada and the CAW. The modifications are patterned off of the modifications agreed to by the CAW for its agreements with the Canadian operations of General Motors Company and Chrysler, LLC, and are expected to result in annual cost savings. The agreement also confirms the end of production at the St. Thomas Assembly Plant in 2011.

On November 2, 2009, the UAW announced that a majority of its members employed by Ford had voted against ratification of a tentative agreement that would have further modified the terms of the existing collective bargaining agreement between Ford and the UAW. The latest modifications were designed to closely match the modified collective bargaining agreements between the UAW and our domestic competitors, General Motors and Chrysler. Among the proposed modifications was a provision that would have precluded any strike action relating to improvements in wages

RELATED LINKS

- This Report:
  - Capacity Alignment
  - Handling Downsizing Responsibly
  - Working with the UAW

and benefits during the negotiation of a new collective bargaining agreement upon expiration of the current agreement, and would have subjected disputes regarding improvements in wages and benefits to binding arbitration, to determine competitiveness based on wages and benefits paid by other automotive manufacturers operating in the United States. (See the [Economy](#) section of this report for more detail.)

In 2009, we negotiated new Ford collective bargaining agreements with labor unions in Argentina, Australia, Belgium, Brazil, Britain, France, Germany, Mexico, New Zealand, Russia, Spain and Taiwan. We began negotiations with labor unions in Thailand in the fourth quarter of 2009; these were expected to be completed in 2010.

In 2010, we are or will be negotiating new collective bargaining agreements with labor unions in Australia, Brazil, France, Germany, Mexico, New Zealand, Russia, South Africa, Spain, Taiwan, Thailand and Venezuela.

Our improved financial performance has resulted in some tangible improvements for our workforce in 2010. We were able to pay profit sharing to eligible UAW members. We have reinstated a 401(k) matching program and are awarding 2010 merit increases for our U.S. salaried employees.

We know that these compensation and benefits programs are valuable to our employees and their families, and we are pleased to be able to deliver on our promise to improve the competitiveness of our total compensation, as business conditions allow.

For our retirees, we have two principal qualified defined benefit retirement plans in the United States. The Ford-UAW Retirement Plan covers hourly employees represented by the UAW, and the General Retirement Plan covers substantially all other Ford employees in the United States hired on or before December 31, 2003. We established, effective January 1, 2004, a defined contribution plan generally covering new salaried U.S. employees hired on or after that date. Other U.S. and non-U.S. subsidiaries have separate plans that generally provide similar types of benefits. We report on contributions to, and the funded status of, our pension plans in our Annual Report on Form 10-K.



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## Diversity and Inclusion in the Workplace

Ford makes diversity and inclusion a priority of our Company. We believe that building and supporting a culture of respect is a business imperative that enables all of our employees to do their best work. A critical element of our ONE Ford program is our ability to work together across a global enterprise. Diversity and inclusion play a key role in creating the culture that brings our different perspectives and experiences together. This helps us work as a unified team to most effectively improve our business.

Ford values the skills, strengths and perspectives of our talented and diverse team. Our customers are located around the world, and we believe our diversity will help us achieve global automotive leadership, enabling the Company to be more innovative and focused on individuals in the workplace and marketplace.

Our employees recognize Ford's efforts in this area. According to our 2009 employee Pulse survey, 81 percent of our workers believe Ford's management is committed to diversity.

For detailed information on our U.S. workforce by minority groups and gender, please view the [minority data charts](#).

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, diversity is:

- Respect – for our employees, customers, communities, dealers, suppliers and retirees
- Appreciation – of our differences
- Inclusion – of every person and every perspective
- Integrity – to do the right thing, always

We integrate our diversity strategy into our business using five focus areas:

- **Leading the way** – The executive leadership team, led by our CEO, champions diversity and inclusion at Ford. To work together effectively across the global enterprise, the leadership team ensures that diversity and inclusion perspectives are integrated into business objectives and key human resources processes.
- **Supporting our diverse workforce and strengthening our external partnerships** – Ford currently supports a number of employee networks, including 11 Employee Resource Groups 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 transgendered employees; and employees of multiple religious faiths. In addition to supporting our employees, these Resource Groups organize community volunteer activities and provide us with an opportunity to better understand the consumer needs and wants of individuals of diverse backgrounds. These groups operate in our business units throughout the world.
- **Fostering a respectful and inclusive environment** – Ford's commitment to inclusion is incorporated in ONE Ford expected behaviors and communicated in ongoing forums such as town hall meetings and training. As a part of these efforts, we have held a Diversity & Inclusion Summit each year since 1999. In 2009, we had a record-breaking number of employees from around the world who were nominated for their efforts in leading and cultivating a diverse and inclusive workplace and community. Thirty-one of these teams and individuals were recognized at a global ceremony, with participation from Argentina, Brazil, Canada, Great Britain, India, Mexico, Spain and the United States.
- **Supporting work/life flexibility** – We recognize that our employees are key to our

business success, so Ford has numerous policies and programs to support them. We encourage employees and managers to discuss both business and personal goals. Work/life flexibility solutions vary depending upon locations, teams and employees. Examples include the following:

- In Canada, we have a number of work/life flexibility programs, including "Summer Hours," which gives employees an opportunity to work with their managers to identify a compressed work week schedule during the summer months.
- In the United States, almost 100 percent of the salaried workforce use "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. 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 UK and Germany, for example, we support part-time working and telecommuting and offer child care facilities for the children of our employees.
- Ford South America established different programs aiming to leverage work/life flexibility, including flexible work locations and lactation areas for nursing mothers.

Other corporate employee resources that the Company provides include Employee Assistance Programs, "mothers' rooms" and wellness initiatives.

Ford has longstanding policies clearly stating that harassment in the work environment because of race, religion, color, age, sex, national origin, disability, sexual orientation or veteran status is a violation of the spirit and intent 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, supplemental and agency employees. 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 extremely 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 Basic Working Conditions](#), as well as several global Policies and Directives, directly address the issue of respect and inclusion. These include:

- 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"

In the United States, a number of 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 and through various policies posted online. Some of these avenues are:

- 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 at World Headquarters in Dearborn, Michigan
- Calling the corporate hotline, which is answered at World Headquarters
- Using peer review, which is an internal alternative dispute resolution process

The Company also has longstanding strong relationships with the Equal Employment Opportunity Commission (EEOC) and state civil rights agencies. In 2004, the Company signed a Universal Agreement to Mediate with the EEOC, which enhances our pledge to address claims of discrimination and/or harassment quickly and efficiently. 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 or harassment in the workplace.

Furthermore, the Company tracks data internally, which enables us to measure the effects of our policies and practices for prohibiting and preventing discrimination, harassment and any other unwanted or illegal behavior, and to leverage those policies to address issues efficiently and improve the overall morale of our workers. The internal tracking data and results are proprietary to Ford Motor Company.



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## Diversity Awards

We have received hundreds of awards in the last few years from publications and organizations that recognize the value we place on diversity and inclusion. For example, we have been recognized by DiversityInc as a Top Company for Diversity since that award's inception. Specific diversity awards given in 2009/2010 include the following:

- America's Top Organizations for Multicultural Business Opportunities – DiversityBusiness.com
- Corporate Equality Index 100% Rating – Human Rights Campaign
- Diversity Elite 60 – *Hispanic Business Magazine*
- Diversity Leader – *Profiles in Diversity*
- Most Admired Employer for Minorities in Research Science – *U.S. Black Engineer & Information Technology* magazine
- Rainbow Award – [Belgian Business Association](#)
- Stonewall List of the UK's most gay-friendly employers
- Top 25 Employers in India – Hewitt
- Top 10 Best Companies for Supplier Diversity – *DiversityInc*
- Top 25 Companies for Female Executives – National Association of Female Executives
- Top 25 Supplier Diversity Company – *Hispanic Business Magazine*
- Top 50 Companies for Diversity – *DiversityInc*
- Top 50 Companies for Engineers – *U.S. Black Engineer & Information Technology* magazine
- Top 100 Employers – *Black Collegian*
- Top Diversity Company – *Diversity/Careers in Engineering and IT Magazine*
- Top Supporter of Historically Black Colleges and Universities
- Urban Truck of the Year – On Wheels, Inc.
- 40 Best Companies for Diversity – *Black Enterprise Magazine*
- HR Executive of the Year – American Society of Employers
- Legacy in Motion Executive of the Year – *Michigan Chronicle*
- Marketing Executive of the Year – MAXX



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## Employee Satisfaction

In 2009, 80 percent of our salaried employees participated in the annual [Pulse survey](#), which provides insight into employees' overall satisfaction with the Company, their jobs, diversity and other aspects of workplace satisfaction.

The Pulse survey includes a total of 52 items, eight of which make up what we call the Employee Satisfaction Index (ESI). Sixty-eight percent of respondents gave favorable ratings on the ESI in 2009, up two percentage points from 2008 levels and the third consecutive year of improvement; we also continue to be above external benchmarks on this index. Compared with 2008, about 72 percent of the 52 items improved, 10 percent declined and about 18 percent remained the same.

The area showing the greatest improvement was employee overall satisfaction and satisfaction with information received from top management. Other areas showing improvement included supervision, diversity, and employee perceptions about work-related stress. In addition, employee satisfaction with actions being taken to improve quality maintained a high level of favorable employee satisfaction.

As part of our efforts to increase satisfaction, we are constantly improving our strategies for fostering open dialogue with employees. We know that communication is especially important during difficult financial times, and we have been enhancing our internal communication efforts to build trust and increase transparency. For example, we hold weekly interactive webcasts with all employees, during which employees can submit questions directly to top executives. We also have a web-based forum for submitting and discussing innovative ideas.

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

In 2009, we sent surveys to approximately 6,000 of our employees to gauge their understanding of sustainability and how their individual efforts impact sustainability issues. More than three-quarters of the 1,144 respondents, for example, said they believe that sustainability can have a considerable to great impact on corporate reputation. The results also showed that employees had varying definitions of sustainability, with 36 percent defining it as "corporate profitability;" only 5 percent mentioned social issues as a part of sustainability.



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## Workplace Health and Safety

In 1999, Ford began a Safety Leadership Initiative aimed at making our workplaces safer. In the decade since, we have seen dramatic results, with overall injury rates dropping to a tenth of their previous levels. We are very competitive within our industry; however, we want to be the best. The practices established in this initiative are now so fully a part of how we run our business that we've dropped the term "Initiative" and now simply call it "Health and Safety Leadership."

The "health" part of health and safety is also an increasing focus for Ford. This is driven by growing recognition of the impact that health issues like heart disease, diabetes and obesity can have on the well-being of our employees, as well as the cost of providing health care to our current and retired workforce in the U.S. (See the Economy section for [further discussion of health care costs.](#)) 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.

Our top executives and managers remain committed to ensuring that our people remain safe and healthy while working as part of our ONE Ford team. Management compensation has been more heavily weighted to safety results, including serious injury performance.

We organize workplace health and safety programs using the framework described in this section.

A SAFE WORKPLACE =						
SYSTEMATIC LEADERSHIP	+	SAFE CONDITIONS	+	SAFE ACTS	+	RELATIONSHIP MANAGEMENT
=		=		=		=
Governance		Design		Awareness		Internal Relationships
+ Evaluation		+ Maintenance		+ Training & Competency		+ External Relationships
+ Accountability		+ Operating Systems		+ Motivation & Compliance		+ Effective Communication
		+ Workplace Environment Controls				



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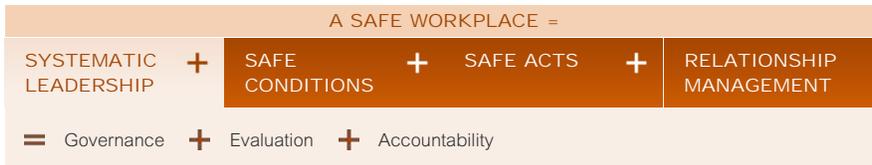
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## Systematic Leadership



The "leadership" in Health and Safety Leadership reflects our view that leaders at all levels achieve the safety results they expect and demand. When leaders demand safe behaviors and conditions, everyone develops a zero-injury mindset. We seek to build safety leaders at all levels in the organization.

We consider systematic leadership to have three components: governance, evaluation and accountability.

### 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, clinical operations, fire and security.

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 have strengthened our global governance of workplace health and safety by reviewing key health and safety indicators more frequently with senior management. We review safety regularly at the plant level and in regional OHS committees. Our President and CEO and senior operating team review safety performance as part of their regular Business Plan Review, as does the global Manufacturing Operating Committee.

### Evaluation

Health and safety specialists conduct Safety and Health Assessment Review Process (SHARP) audits at our manufacturing facilities as an integral part of our manufacturing management systems. During 2008, we launched a major global revision of SHARP to streamline and simplify it and align it with Ford's current corporate standards and plant operating systems. The SHARP audit is now more similar to other internationally recognized management systems documents. To supplement SHARP, we developed during 2009 a global Safety Operating System to assist our plants in identifying all the tasks required by our safety standards and how they should be managed.

We also conduct unannounced audits, as well as audits of special high-risk areas. Facility staff perform SHARP self-assessments and more frequent internal audits to verify key processes. Any significant incidents are reported weekly on a global basis so plant managers at other facilities can learn from each incident and take preventive action.

Nonmanufacturing 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.

We also conduct a safety culture survey, which was recently integrated into our overall annual

Pulse survey of employees, to assess employee perceptions of our health and safety effectiveness. 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 2009 Pulse survey show that the vast majority of Ford employees – 85 percent – are satisfied with the Company's safety culture.

## Accountability

We establish accountability for health and safety performance through our business planning 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 significant 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.

We have also increased accountability expectations for plant workers, which has contributed to the long-term reduction in serious work injuries. In the spring of 2008, for example, we imposed stricter penalties for workers who break safety rules that could result in serious or fatal injuries, despite the training they have received. Flagrant violators are liable for suspension or termination – even on a first offense. Since the introduction of these penalties in North America, we have seen a drop in serious injuries resulting from energy control and power lockout violations, from nine injuries in 2007 to three in 2009.



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## Safe Conditions

A SAFE WORKPLACE =

SYSTEMATIC LEADERSHIP	+	SAFE CONDITIONS	+	SAFE ACTS	+	RELATIONSHIP MANAGEMENT
-----------------------	---	-----------------	---	-----------	---	-------------------------

= Design + Maintenance + Operating Systems + Workplace Environment Controls

A safe workplace is in part a product of 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. For results, see the [Workplace Safety data](#).

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.



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## Safe Acts



Even the best-designed workplace is only as safe as the behavior of the people who work there. We raise awareness of safety issues and reinforce it consistently with employees via regular communication at work group meetings and trainings for managers, supervisors and engineers who design equipment.

We analyze our serious injury events and deploy specific actions to prevent recurrence. For example, our safety professionals provide management with measurable feedback on a regular basis via a new Safe Behavior Index that we launched in North America in 2008. The Index, which was already in place in our South American and Asia Pacific operations, measures observations of people not working safely and allows us to take corrective actions when required. We are also improving our analyses throughout all manufacturing facilities for nonstandard production and maintenance jobs, such as repairs in unplanned locations, as well as infrequent or unexpected maintenance tasks. Outside of our manufacturing facilities, Ford has developed safe driving standards for employees driving on Company business. We also provided national leadership in the United States by banning handheld text messaging while driving on Company business.

In the first quarter of 2009, we held a 90-day challenge to focus on reducing slip-and-fall injuries. We are also reviewing the snow and ice removal procedures at our facilities with an eye toward developing new standards, since many of the slip-and-fall injuries occur as employees enter or exit our buildings.

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## Relationship Management

A SAFE WORKPLACE =

SYSTEMATIC LEADERSHIP + SAFE CONDITIONS + SAFE ACTS + RELATIONSHIP MANAGEMENT

Internal Relationships + External Relationships + Effective Communication

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

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 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.



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## Health as a Strategic Advantage

We have many programs and processes to ensure that our working environment does not damage the health of our people. A natural extension of this idea is to seek to enhance the health of our workforce, their families and the communities in which we operate. Good health contributes to well-being, longevity and productivity, among other benefits. And since families tend to share health habits – good and bad – promoting health among our employees can contribute to healthier communities.

In the United States, where health care costs are a major issue for the Company, we have increased our emphasis on health and wellness programs. We are providing resources and tools to employees to help them make sound choices about health care services and coverage, and to help them understand the benefits of being a better health care consumer.

We are collaborating with communities and government agencies by:

- Promoting and investing in the adoption of health care information technology (HIT) through local initiatives, with funding assistance from government. HIT will enable physicians and hospitals to have access to all the information they need to provide their patients with the most appropriate care.
- Participating in regional health care quality measurement and public reporting initiatives, with potential data-sharing and funding assistance from government.

We also provide health programs to our employees and their families in varying forms in many other countries. We are working to ensure that all of these programs are designed and administered in a way that delivers optimum health results. In addition, we are developing a comprehensive global health strategy to ensure that our efforts are targeted at local health priorities and that our people receive quality health care when they need it. Working with employees to identify and modify their personal health risk factors is a core element of the strategy. We are also working to leverage our global strengths by improving the way we share and coordinate our health promotion programs. We developed and published a global set of standard health metrics to be used to assess the health of our workforce and track the results of programs aimed at improving it. Examples of the metrics include smoking and obesity prevalence, rates of diabetes and hypertension, and the number of employees whose diabetes or hypertension is successfully controlled.

Elements of health and wellness programs around the world include health screenings, education and promotional campaigns. For example, Ford of Brazil implemented "Programa Viva Bem," which promotes health campaigns in areas such as weight control, stress management, nutrition, diabetes prevention, breast cancer prevention and flu vaccination. These campaigns reduce absenteeism while reflecting positively on Ford's social commitment. Ford of Mexico developed programs at its facilities targeting similar issues. Health strategies vary by region and are flexible, in order to be tailored to local needs.

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## Our 2009 Safety Record

Ford's workplace safety record in 2009 was mixed. On the positive side, a major safety indicator – lost-time case rates – continued to improve, dropping 14 percent compared to 2008.

Improving our safety record is not only good for our employees, it's good for our business. We have calculated that progress in lost-time cases and days lost saves the Company approximately \$30 million in direct costs each year.

Tragically, we experienced four fatalities, including three direct Ford Motor Company employees – two in North America and one in Europe. Additionally a construction contractor at our Ford India site was fatally injured. We deeply regret the deaths that occurred and offer our sincerest condolences to the family members, friends and co-workers of the four individuals. Ford has fully cooperated with the appropriate investigating and reporting agencies, and has taken actions intended to prevent similar accidents from happening in the future.

We also experienced 128 serious injuries among our direct employees. In most of the cases, the causes were related to slip, trip and fall events or performing work not according to our standards.

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



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## Engaging with Our Employees

This section on employees has described the myriad ways we engage with our employees. For example, we work closely with our employees' unions to develop agreements and governance plans through a collective bargaining process. Policy and procedures involving information, consultation and negotiations with employees over changes in the reporting organization's operations (e.g., reorganization, plant shutdown, employee transfers and reductions) are negotiated with the appropriate union. In addition, joint labor-management committees are set up at each plant to give employees an opportunity to influence working conditions and practices.

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 weekly webcasts, quarterly town hall meetings, manager-to-employee business cascades, surveys and informal communications, and we survey our salaried employees annually using the Pulse survey.



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## Customers

Our customers' wants and needs continue to evolve. We monitor consumer trends and develop and promote products to fit particular market segments. In recent years, we have paid particular attention to the growing demand for more fuel-efficient and cleaner vehicles. Please see the Economy section of this report for a full discussion of our customers.

### Diversity of Customers

Our customers are increasingly diverse. Our Insight program helps dealers better understand and serve minority customers. The program includes web-based cultural training, in-dealership workshops and assistance in developing comprehensive multicultural strategies.

As part of our multicultural efforts, we have launched a multi-language Asian-American Web site. Meanwhile, our integrated Spanish Web site – Ford's "Mi Negocio" (My Business) – is one of the most comprehensive of its kind in the auto industry, offering a one-stop resource and outreach services in key Hispanic markets.

### Engaging with Our 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 Web sites, 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 developed based on what we find and gather online, to convey what consumers are saying about our Company and our products. These reports are cascaded 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 various social media. In an effort to accomplish authentic interaction between the Company and web users, we are democratizing our social media efforts to enable any Ford employee to interact in online communities on our behalf. In 2009, we began to train employees in how to do this, giving them clear guidelines consistent with our ONE Ford principles. Our goal is to maintain our position as the world's leading social automotive brand and to humanize the Company by building relationships with our customers and providing value through these kinds of social media communications.



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## Dealers

As the public face of Ford within our communities, our dealers are key employers and contributors to local economies, especially in rural areas and small towns. At our current and expected future U.S. market share, however, we have too many dealers, particularly in metropolitan areas, which makes it difficult to sustain a healthy and profitable dealer base. To address this overcapacity, we are working with our dealers in efforts to downsize, consolidate and restructure our Ford, Lincoln and Mercury network in our largest 130 metropolitan market areas in the United States, to provide targeted average-year sales for Ford dealers of around 1,500 units and for Lincoln Mercury dealers of around 600 units. As part of these efforts, the number of dealers in our Ford, Lincoln and Mercury network in the United States has been reduced from about 4,400 at the end of 2005 to 3,550 at the end of 2009. (For more on our dealer restructuring, please see the Economy section of this report.)

Although we are reducing our dealer count in the United States to better match market demand, we are working to expand our network of dealers in markets where we have growth opportunities.

### Dealer Diversity

Ford continues to lead the automotive industry in its percentage of minority-owned dealerships – with 215, or 5.6 percent, of our 3,871 U.S. dealerships.<sup>1</sup> Over the past year, we restructured our Dealer Development (DD) Investment Program, which had provided funding for qualified candidates who dedicated themselves to a career in automotive retailing. As part of an effort to reduce the number of DD dealerships, we worked with 32 minority dealers so they could become private-capital owners through one-time discount buyout offers. We expected to complete another 10 minority dealer transitions by the end of the first quarter of 2010.

This year, we are restructuring our Minority Dealer Operations office to better support our minority dealer base. We are launching a Diversity Dealer Advisory Board for formalized relationships with Ford senior management. We aim to create minority retail career opportunities, enhance existing dealer profitability/viability, identify multicultural marketing opportunities, and improve existing education, training and community involvement.

### Dealer Sustainability Program

In 2010, we launched a voluntary sustainability initiative for our Ford and Lincoln Mercury dealers to reduce their carbon footprints and improve the energy-efficiency of their dealerships. The goal of the "Go Green" Dealer Sustainability Program is simple: collaborate with dealers to implement cost-effective ways to improve the energy-efficiency of their facilities. We partnered with the Rocky Mountain Institute, a leading energy-efficiency organization, to pilot new technologies and architectural design principles.

Dealers who choose to participate will receive a comprehensive energy assessment from sustainability experts at Ford. After the assessment, Ford and the dealer will collaborate on energy-saving options available and will tailor a program to meet the specific needs of each dealer.

Ford dealer Brian Jarrett, president of Jarrett Gordon Ford in Winter Haven, Florida, for example, expects to cut his monthly energy bill by 80 percent by adopting all of the recommendations from the program. He plans to invest about \$500,000 to change the 1,000-watt exterior light bulbs on his lot to 175-watt LED bulbs. He also plans to install energy-efficient interior lights, light sensors and low-flow toilets. He calculates that his energy savings will pay for his investment in six years.

### Engagement with Dealers

Dealer relations is a key priority for us. The Dealer Council was created as 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. To ensure that communication lines remain open, Dealer Council members also participate as members of National Dealer Advisory Panels, including the following:

- Customer Viewpoint Advisory Panel – customer satisfaction rating system, Viewpoint survey
- Product Committee – current and future product cycle plan, including lineup, design, styling and color/trim
- Order Complexity Task Force – reduction of vehicle ordering complexity, order guide simplification
- Marketing Dealer Advisory Board – vehicle packaging strategy, advertising creative, incentive programs
- Training Advisory Board – dealership employee training and recognition
- Parts and Service Manager Advisory Committee – fixed operations programs, including employee recognition/retention
- Commercial Truck Advisory Board – sales, marketing and product programs
- Service Marketing Advisory Committee – service marketing strategy and advertising
- Consumer Experience/Dealer Profitability Committee – enhancing the overall consumer experience and network profitability

The feedback gathered through these interactions has helped us develop various programs, change policies and enhance processes to improve customer handling and other significant elements of the dealers' business. Dealer priorities and Ford management responses are published annually, providing transparency to the discussions between the Company and its dealers.

In addition to the Dealer Councils 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 dealers provided feedback through the Summer 2009 NADA survey process, which showed notable improvement in many areas – including some of the highest ratings ever from Ford and Lincoln Mercury dealers. With respect to our Ford dealers, we saw significant positive changes in every overall score – something we are particularly proud of, given the difficult year the industry faced. Our dealers rated us more favorably in terms of franchise value, policies and procedures, and people. In fact, the Overall Index Ranking shows Ford dealers moved up 14 spots and are now included in the Top 10 list of automotive brands.

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1. Numbers are as of December 31, 2009, for Ford, Lincoln, Mercury and Volvo dealerships.

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## Salute to Dealers



Dealer Principals Honored with the 2010 Salute To Dealers  
 Left to right: Phil Smith of Dick Smith Ford, Raytown, Missouri, Dan Pfeiffer of Pfeiffer Lincoln Mercury, Grand Rapids, Michigan, Edsel B. Ford, Don Price of Lafayette Ford, Inc., Fayetteville, North Carolina and Gregg Middlekauff of Middlekauff Ford/Lincoln Mercury, Twin Falls, Idaho.

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. Dealers from all four of our brands (Ford, Lincoln, Mercury and Volvo), representing nearly 4,000 dealership franchises in the United States and Canada, were eligible to be nominated. Ford is very proud of the contributions made by the dealers who are nominated for this award and the 82 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.

Of the 69 nominations received, four dealer principals were chosen for the 2010 Salute to Dealers award. They are:

- Daniel Pfeiffer, Pfeiffer Lincoln Mercury, Grand Rapids, Michigan  
 Through the years, Dan Pfeiffer has positively affected countless lives by actively participating in fundraising for charitable organizations and community development projects. His dealership recently donated time and materials to repair vehicles for more than 20 needy families in the area. As a huge supporter of the arts and culture, Dan was also instrumental in bringing to the community a botanical garden and sculpture park, which attracts nearly 600,000 visitors a year. His fundraising efforts and donation of family land were also key to the construction of Faith Hospice of Byron Center, which provides compassionate, end-of-life care and allows family members to stay with their loved ones.
- Don Price, Lafayette Ford, Fayetteville, North Carolina  
 Family values and a tradition of respect and personal involvement characterize Don Price's commitment to the community, where he serves an active role in the Kiwanis Club, the local school system and the Military Affairs Council. With a focus on education and military sponsorship, Don is dedicated to improving education and the quality of life for our military troops and their families. He regularly holds "welcome home" and other celebrations at his home for the soldiers and airmen of Fort Bragg and Pope Air Force Base and their families, as well as raising funds to support educational scholarships and grants.
- Gregg Middlekauff, Middlekauff Ford Lincoln Mercury, Twin Falls, Idaho  
 Gregg Middlekauff has a deep-rooted commitment to the well-being of children in the community, as witnessed by his active leadership roles in key organizations and causes.

These include serving as President of the local Boys & Girls Club, where he contributes his time and funding; the establishment of the Middlekauff Foundation, whose motto is, "Change a child's life...change the world;" and his Commitment to Kids event, where his dealership performs free safety checks on car seats and bicycles. Gregg also contributes considerable time and funds to support the Southern Idaho Learning Center, an organization that works with children who have learning disabilities.

- **Phil Smith, Dick Smith Ford, Raytown, Missouri**

Reaching out to neighbors, whether they are thousands of miles away or just down the street, is the passion behind Phil Smith's life. His support and on-site involvement in the Guatemala Ministry and the annual Labor of Love fundraising walks have touched thousands of lives. In addition to these efforts, he regularly volunteers at a local soup kitchen and at the Jackson County Prison, where he provides spiritual support and guidance to prisoners.



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## Suppliers

Ford and its suppliers must work jointly to deliver great products, have a strong business and make a better future. In today's economic environment, achieving lower costs and improving quality require an unprecedented level of cooperation with suppliers and the maintenance of strong supplier relationships.

Beginning in 2005, we introduced an Aligned Business Framework (ABF) with our strategic suppliers to accomplish these goals. In 2009 and early 2010, we expanded the ABF, adding new members to our select group of key component and service suppliers that we have chosen for long-term relationships and closer collaboration. With the new members, there are now 90 companies in the ABF network, including 67 production and 23 non-production suppliers from around the world. (Minority- and women-owned suppliers make up nearly 15 percent of the ABF network.)

We are committed to maintaining strong relationships with our ABF and other suppliers by:

- Adhering to Ford Supplier Relationship Values
- Deploying a single global product-creation process that combines aggressive execution of product plans with minimal variances
- Enhancing process stability, commonality and reusability
- Improving communication by providing real-time performance data to the supply base
- Providing suppliers with greater access to senior Ford managers in small-group settings
- Establishing organizational stability models in Manufacturing, Product Development and Purchasing
- Improving order fulfillment
- Engaging the supply base in discussions about process stability, incoming quality and corporate citizenship, and involving suppliers in coalitions to create awareness of industry issues

It is important that our suppliers share our commitment to environmental and social performance. We have developed programs and partnerships to help align our suppliers' practices with our own.



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## Human Rights

Since 2005, the core contract governing Ford's business relationship with our production and nonproduction suppliers has reflected the requirements in our Code of Basic Working Conditions that prohibit the use of forced labor, child labor and physical disciplinary abuse. Ford requires suppliers to ensure that products – no matter where they are made – are manufactured under conditions that demonstrate respect for the people who make them. In 2008, we expanded our training, corporate engagement and industry collaboration programs with the goal of making an even stronger impact in the markets in which we do business. We have conducted trainings and assessments of suppliers in 20 countries and developed an approach to ensure alignment with our Code throughout our supply chain. For more detail, see the [Human Rights](#) section.

### RELATED LINKS

This Report:  
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## Environmental Performance

Ford requires its "Q1" (preferred) production suppliers to attain ISO 14001 environmental management certification of manufacturing facilities that ship products to Ford. ISO 14001 certification is also expected of Q1 nonproduction suppliers if the supplier site is a manufacturing site or a nonmanufacturing site with significant environmental impact.

By 2006, 100 percent of Q1 production suppliers had achieved ISO 14001 certification. Suppliers that did not meet the deadline were not eligible for Q1 status, which is a prerequisite for consideration for future Ford business. We also encourage our suppliers to extend the benefits of improved environmental performance by requiring their own suppliers to implement environmental management systems as well.



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## Supplier Diversity Development

Ford remains strongly committed to utilizing and developing supplier companies that are owned by minorities and women. Our Supplier Diversity Development Office works with business leaders, trade associations and community-based organizations that represent the interests of diverse businesses. In 2009, Ford purchased \$2.7 billion in goods and services from approximately 200 minority-owned suppliers and more than \$539 million in goods and services from more than 200 women-owned businesses. Tangible accomplishments like these have earned Ford a seat at the "Billion Dollar Roundtable," an exclusive group of 17 companies that purchase a minimum of \$1 billion annually from diverse suppliers. Despite a challenging economic environment, Ford is unwavering in its commitment to incremental year-over-year percentage increases in sourcing from diverse suppliers. We encourage similar actions across our supply chain. In 2009, more than 400 of our largest Tier 1 suppliers purchased more than \$1.03 billion from minority- and women-owned enterprises in support of Ford business.

In 2009, Ford expanded its leadership role in supplier diversity by adding two companies to the Joint Technology Framework (JTF), a special program aimed at improving the technical expertise of diverse suppliers. We added Piston Automotive, LLC, and Saturn Electronics & Engineering, Inc., to the JTF, bringing the number of minority- and women-owned companies in the program to eight.

We launched JTF in 2008 to assist suppliers in developing innovative products and technical expertise. Under the program, suppliers are given access to specific product and process intellectual property from Ford Research and Advanced Engineering. Suppliers are then licensed by Ford to develop the technologies and processes for potential future use by Ford, other automakers or manufacturers in other industries.



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## Supplier Sustainability Leadership

For several years, Ford has recognized supplier companies that demonstrate leadership in environmental and social performance with a corporate responsibility award. Suppliers must meet several criteria, including ISO 14001 certification at all manufacturing sites, full acceptance of Ford's Global Terms and Conditions, and demonstration of overall sustainability leadership by incorporating environmental and social considerations into their business.

In June 2009, Ford selected two winners for the 2008 Corporate Responsibility Recognition of Achievement Award: Hewlett Packard and Michelin North America. The Recognition of Achievement Award is given to suppliers that improve customer satisfaction by leading key initiatives in several areas, including: Corporate Responsibility; New Consumer-Focused Technology; Warranty Improvement; Diversity and Community Service; and Consumer Driven 6-Sigma.



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## Investors

We provide information to and interact regularly with investors through a variety of means, including our corporate Web site, annual report and regulatory filings, annual meeting and periodic analyst conference calls. We also engage with socially responsible investment organizations that are seeking information to use to evaluate our sustainability performance. These interactions help us stay abreast of and respond to investor concerns.

Our [Investor Relations Web site](#) is a good source of information for investors. It contains various Company reports, a schedule of events and investment information.



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## Community

Fundamental changes are underway within our industry and our Company, including increased competition globally and changing markets for our products, with the bulk of future sales growth expected to occur in emerging markets. At the same time, we and other companies are expanding sourcing in these lower-cost emerging markets, as a way to serve both local markets and the global supply chain. 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.

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 as not only a core operational issue, but also as a key to maintaining the trust and respect of local communities. That trust is critical if we want to continue to operate and, increasingly, sell our products in those locations. See the [Human Rights](#) section for more information.

We also work closely with the communities in which we operate to minimize negative impacts of our corporate restructuring.



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## Engaging with Communities

To effectively and sustainably manage community relations issues, we must embed them in our core business practices and seek to manage them with the same rigor as other aspects of our business.

Anticipated changes in the market for our products have implications for how we engage with local communities. The mobility needs of potential customers in emerging markets differ in some fundamental ways from those in the developed markets the auto industry has primarily served to date. Local community engagement is a key strategy Ford is using to learn about and understand how best to meet the needs of these critical and fast-growing markets. (See the [Mobility](#) section for more on this topic.)

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 human rights efforts. 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. In our view, this approach will not only increase efficiencies, but also maximize our impact and effectiveness.

The release of our Code of Basic Working Conditions (CBWC) as a formal Policy Letter reinforced that our behaviors and actions include a focus on issues outside the walls of our plants and facilities. The performance criteria for CBWC assessments of owned and operated facilities now address several key community issues and evaluate engagement with members of the local community.

Our work to develop and implement the CBWC has helped to establish our trustworthiness in communities in which we are developing our sustainable mobility strategy. In our view, developing a deep understanding of the unique mobility needs of emerging markets is a pre-condition of being able to do business in those places.



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## Investing in Communities

Ford has a long history of investing in the communities in which we operate. Ford's commitment to supporting local communities through charitable contributions and volunteer efforts remains unchanged, despite our recent business conditions. Ford delivers on this commitment through the Company's community relations arm, formally known as Ford Motor Company Fund and Community Services.

Founded as a not-for-profit organization in 1949, Ford Motor Company Fund and Community Services is responsible for the Company's philanthropy and volunteerism efforts. Made possible by Ford Motor Company profits, the organization makes contributions to qualified U.S. not-for-profit organizations that enhance and improve opportunities for those who live in the communities in which Ford operates. It supports organizations in three strategic areas: auto-related safety, education and American heritage.

In addition to donations from the Fund, Ford also makes direct corporate contributions to a variety of charitable organizations and causes.

In 2009, Ford contributed a total of \$29 million. Of that amount, \$20 million was in the form of grants awarded by Ford Motor Company Fund; the remainder was direct corporate giving. The total amount is less than in previous years, reflecting the challenging business conditions that affected the Company's core automotive business in 2009.

In addition to grants, we encourage our employees to participate in programs that build stronger communities through the Ford Volunteer Corps. During 2009, some 20,000 Ford employees and retirees in 44 countries provided more than 100,000 hours of work on more than 1,000 community service projects – the equivalent of \$2 million of in-kind corporate contributions. Many of these volunteer projects received mini-grants to provide resources to complete the project.

Increasingly, Ford is expanding abroad with its community relations. In 2009, Ford continued its partnership with the GlobalGiving Foundation, an organization that has worked with Ford Motor Company Fund to expand our giving to international communities affected by major disasters.

During 2009, Ford provided immediate assistance to victims of Typhoon Morakot, which struck Taiwan in August 2009. In addition, Ford's Asia Pacific Africa personnel, in cooperation with GlobalGiving and the Asia Injury Prevention Foundation, expanded Ford's Driving Skills for Life Program in China, India, Indonesia, the Philippines, Taiwan, Thailand, and Vietnam.

The Mexican Center for Philanthropy recognized Ford of Mexico in 2009 as a Socially Responsible Company for the eighth consecutive year. The award is given to companies that encourage quality of life in the workplace, strong ethics, environmental care in its operations and close involvement in the community. Ford and its dealers were lauded for rebuilding eight of 209 schools that Ford and Ford dealers have built throughout Mexico during the last 43 years.

### RELATED LINKS +

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- Ford Motor Company Fund and Community Services
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## Ford Motor Company Fund and Community Services



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Ford Motor Company Fund and Community Services supports organizations in three strategic areas: auto-related safety, education and American heritage and legacy. The following are examples of some of our most significant or new programs:

- The Fund supports teen safe driving through its award-winning [Driving Skills for Life](#) program, a safe-driving curriculum that has trained more than 341,000 students since 2003. Developed by Ford, the Governors Highway Safety Association and a panel of safety experts, the free program educates teens with a combination of ride-and-drive events, educational materials, customized in-school events and an interactive Web site. The program, which has received numerous awards, including the World Traffic Symposium Award, was expanded into international markets in 2008.
- The [Ford Partnership for Advanced Studies](#) uses an academically rigorous curriculum to provide high school students with 21st-century learning experiences to enhance real-world skills. More than 60,000 students in 27 states have participated in the program, which relies on collaboration among high schools, community organizations, higher education institutions, government entities and businesses. The program has been awarded the National Governors Association's first Public-Private Partnership Award for innovative educational programming, among other awards.
- Corazón de mi Vida is a national bilingual initiative on child passenger safety developed by Ford Motor Company Fund and Community Services in partnership with the national Latino Motorist's Institute and the National Highway Traffic Safety Administration. Latino families, child care providers and the Spanish-speaking community in El Paso, Phoenix and San Antonio are informed about the important role that safety seats and seat belts play in saving children's lives. Through continued support from Ford, more than 2,700 child safety seats have been distributed, more than 380 bilingual child safety seat technicians have been trained and our safety messages have reached approximately 2.2 million people. A second initiative, See Me Safe, focuses on educating parents, caregivers, medical professionals, safety advocates and the community about the appropriate use of child passenger safety restraints. Developed in partnership with Meharry Medical College in Nashville, Tennessee, See Me Safe has distributed 1,350 car seats and reached 300 health care providers through its Prescription for Safety workshops since 2007.
- In 2009, the Fund continued to support organizations and initiatives that preserve America's heritage, including the new Gettysburg Museum & Visitor Center, and a new two-year exhibit at Mount Vernon that showcases artifacts from the Washington collection. In addition, Ford Made in America, a consortium of small-budget orchestras performing a newly composed classical piece, premiered in Reno, Nevada. "Chasing Light..." by composer Joseph Schwantner, will be performed by 58 orchestras in all 50 states by 2010.
- Ford employees and Ford Motor Company Fund are major supporters of the United Way in the United States, giving nearly \$7 million in 2009 to support numerous community-based social

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services organizations.

- A new initiative – Ford Mobile Food Pantries – consists of financial support and the donation of three Transit Connect vans to organizations in southeast Michigan that claim, rescue and distribute food to those in need, including many who never before have relied on this help. Gleaners Food Bank, Forgotten Harvest and United Way used these vans to deliver more than 1.3 million meals and 1.6 million pounds of food in 2009. Many Ford volunteers assisted in this effort, including 275 individuals who delivered Meals on Wheels during the Thanksgiving and holiday season.
- Ford also has a long history of working with disabled American veterans. As a major contributor to the [Jesse Brown Memorial Youth Scholarship Program](#), for example, Ford provides scholarships to students who volunteer at local Veteran's Administration (VA) medical centers. For 15 years, Ford has also been a sponsor of the [National Disabled Veterans Winter Sports Clinic](#), which brings hundreds of disabled veterans to the mountains of Colorado to participate in adaptive sports, including skiing, snowmobiling, sled hockey and rock wall climbing. In addition, Ford has donated 141 vehicles since 1996 to the Disabled American Veterans, which in turn gives them to VA hospitals across the country.

Ford also supports a wide variety of organizations through corporate contributions and sponsorships. Highlights include the following:

- For more than 20 years, Ford has been involved in helping find a cure for juvenile diabetes. See the [juvenile diabetes case study](#) for more information.
- Ford has also been a long-time supporter in the fight against breast cancer. For 16 years, Ford has been a National Series Sponsor of the [Susan G. Komen Race for the Cure®](#) series and has dedicated more than \$105 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 customized apparel that is sold on [fordcares.com](#). This specially designed clothing and accessory line, called "Warriors in Pink," is dedicated to those fighting this disease, and 100 percent of net proceeds go to Susan G. Komen for the Cure. Since 2006, we have sold more than \$4 million of the Warriors in Pink products. In addition, more than 50,000 Ford employees and thousands of dealership employees are involved in races and supporting the cause in their local communities.
- In 2009, Ford volunteers raised \$193,000 for the [March of Dimes](#). In 2010, Ford CEO Alan Mulally and UAW president Ron Gettelfinger were selected to serve as national co-chairs of the organization's annual March for Babies event.
- Ford volunteers raised \$117,949 for the [National Multiple Sclerosis Society](#) in 2009.



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## Ford Volunteer Corps

In addition to the financial contributions made by Ford and Ford Motor Company Fund and Community Services to hundreds of organizations globally in 2009, thousands of Ford employees and retirees volunteered to help build stronger communities around the world.

Volunteerism has been an integral part of Ford Motor Company since its creation in 1903. The Company's many volunteer efforts were unified in 2005 when Bill Ford, then chairman and CEO, founded the Ford Volunteer Corps. Ford volunteers immediately responded to the tsunami that devastated Southeast Asia and to the two hurricanes that hit the U.S. Gulf Coast.

Even in difficult economic times, we believe it is important to help the communities in which our employees work and live. Volunteer efforts help to build the morale of our employees. There's a strong business case for volunteerism, too: our volunteer projects help to strengthen the name of Ford and enhance purchase consideration for future buyers.

The Ford Volunteer Corps comprises salaried employees and retirees across six continents who work to strengthen their communities. Ford Motor Company offers its U.S. salaried employees two workdays per year to volunteer in the community. Employees form MODEL Teams and volunteer to help nonprofit organizations. Last year, more than 20,000 Ford employees and retirees in 44 countries provided more than 100,000 hours of volunteer time for their communities, or the equivalent of \$2 million in in-kind corporate contributions.

In 2009, Ford held five "Accelerated Action Days" – concentrated one-day efforts to meet critical needs identified by our agency partners. In March, we focused on the needs of children and families. In May, we zeroed in on the environment and outdoor projects. In September, the theme was community building projects – renovating and repairing shelters, missions and homes for children. In November, we focused on veterans and their families. And in December, we helped to feed the hungry.

Software designed and launched by the Ford Volunteer Corps aligns our volunteer projects with the needs of nonprofits across the United States. Using this system, employees can go online to sign up for volunteer projects based on their interests and availability. In prior years, our volunteers would essentially tell the nonprofits when we would provide hands-on assistance, without fully assessing when would be the best time for the nonprofits. Now, our nonprofit partners can tell us when they need help and what manner of assistance they need.

In 2009, Ford held its fourth annual Global Week of Caring, a week-long series of volunteer events around the world, coordinated by the Ford Volunteer Corps. During one week in early September, about 12,000 Ford employees in 44 countries contributed more than 38,000 hours of their time to approximately 220 volunteer projects.

During the 2009 Global Week of Caring, participants built homes, renovated shelters and schools and fed the hungry, to name just some of the efforts. Ford retirees can participate side-by-side with current employees on volunteer projects.

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- Fordmotorcompany.com: Ford Volunteer Corps

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### A. Employee Satisfaction, Pulse Survey

Percent satisfied

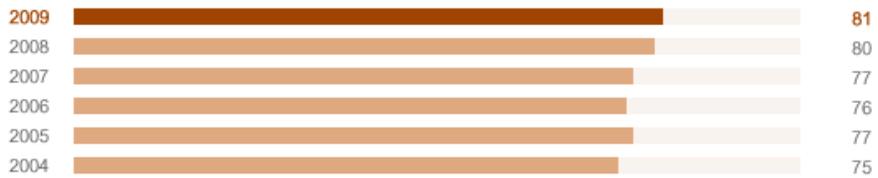
Employee Satisfaction Index



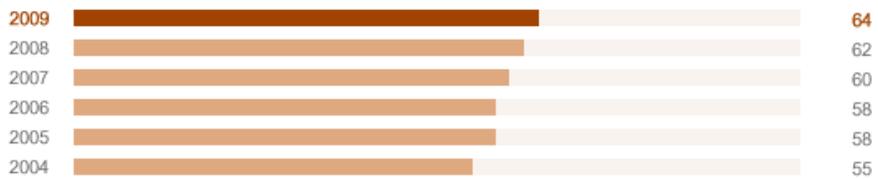
Company Success Mindset



Management Commitment to Diversity



Overcoming Workplace Obstacles



Percent satisfied

	2004	2005	2006	2007	2008	2009
Employee Satisfaction Index	61	62	62	64	66	68
Company Success Mindset	82	83	82	82	85	85
Management Commitment to Diversity	75	77	76	77	80	81
Overcoming Workplace Obstacles	55	58	58	60	62	64

In 2006, the Pulse survey was changed to incorporate new dimensions. While there was no change to the number or content of the existing 55 core questions asked on Pulse, they were realigned into eight revised dimensions. These changes were made because the revised dimensions are better focused on current business priorities and can provide a framework for more focused feedback and action planning. In addition, the revised Employee Satisfaction Index can be benchmarked externally; none of the prior 13 dimensions could be benchmarked outside the Company.

In This Report:

Employee Satisfaction

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## B. Overall Dealer Attitude

Relative ranking on a scale of 1–100 percent

	2004	2005	2006	2007	2008	2009
Ford (summer/winter score)	70/69	70/72	64/64	69/64	68/69	80/71
Lincoln Mercury (summer/winter score)	64/61	64/64	62/64	66/64	64/66	71/66
Industry (summer/winter score)	73/74	74/74	70/71	72/70	72/73	74/70

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

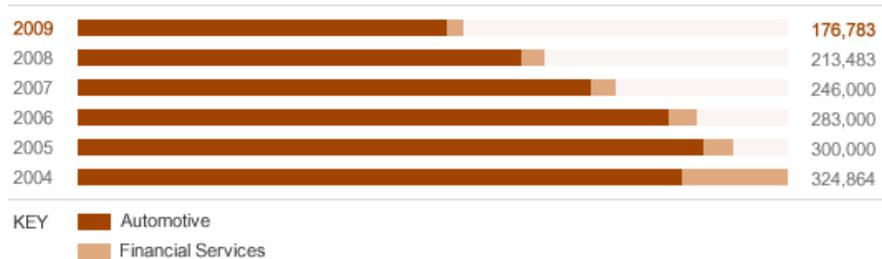
Approximately 54 percent of dealers provided feedback through the Summer 2009 NADA survey process, which showed notable improvement in many areas – including some of the highest ratings ever from Ford and Lincoln Mercury dealers. With respect to our Ford dealers, we saw positive changes in every overall score.

**In This Report:**  
Engagement with Dealers

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## C. Employment by Business Unit

*Average number of people employed*



*Average number of people employed*

	2004	2005	2006	2007	2008	2009
Automotive	276,029	286,000	270,000	235,000	203,316	168,610
Financial Services	48,835	14,000	13,000	11,000	10,167	8,173
Total	324,864	300,000	283,000	246,000	213,483	176,783

These employee numbers do not include dealer personnel; 2009 employee numbers have been adjusted to reflect the new accounting standard on the deconsolidation of many of our variable interest entities.

Reported to regulatory authorities

**In This Report:**  
Workforce Reductions

[back to top](#) ↻

## D. Total Purchases from Minority-owned Businesses – United States

*\$ billion*



*\$ billion*

2004	2005	2006	2007	2008	2009
3.7	3.7	3.7	4.2	3.3	2.7

From 2003 to 2007, purchases from non-minority, women-owned businesses were included within total

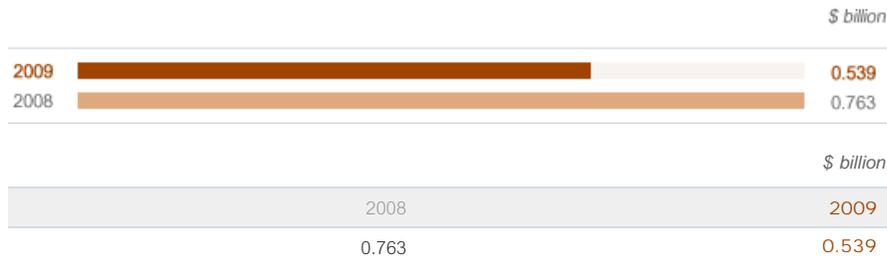
purchases from all minority suppliers. Beginning in 2008, we provided separate data for women-owned businesses, which accounted in part for the reduced amount of purchases in 2008.

The decrease in spending for minority- and women-owned suppliers in 2009 was due to a variety of factors, including: overall deterioration in sales volume, particularly in trucks and SUVs where diverse suppliers were concentrated; year-over-year declines in Ford North America overall purchases, reflected in the spending with diverse suppliers; supply base consolidation; inability of minority- and women-owned suppliers to maintain and secure lines of credit from lenders; and a supplier overdependence in the automotive business that led to failures of minority-owned businesses during the economic downturn.

**In This Report:**  
[Supplier Diversity Development](#)

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## E. Total Purchases from Women-owned Business – United States



From 2003 to 2007, purchases from non-minority, women-owned businesses were included within total purchases from all minority suppliers. In 2008, we began breaking out separate data for purchases from non-minority, women-owned businesses.

The decrease in spending for minority- and women-owned suppliers in 2009 was due to a variety of factors, including: overall deterioration in sales volume, particularly in trucks and SUVs where diverse suppliers were concentrated; year-over-year declines in Ford North America overall purchases, reflected in the spending with diverse suppliers; supply base consolidation; inability of minority- and women-owned suppliers to maintain and secure lines of credit from lenders; and a supplier overdependence in the automotive business that led to failures of minority-owned businesses during the economic downturn.

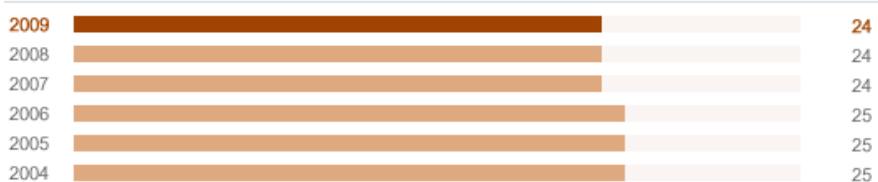
**In This Report:**  
[Supplier Diversity Development](#)

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

Percent

Minority-group personnel - total



Minority-group personnel - salaried



Minority-group personnel - hourly



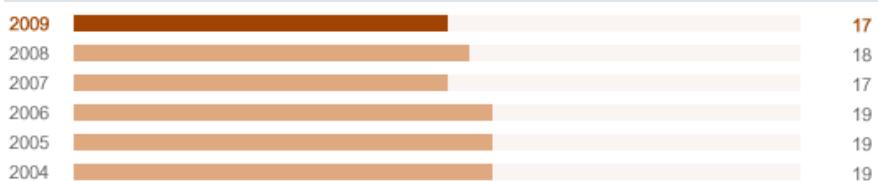
Women - total



Women - salaried



Women - hourly



Percent

	2004	2005	2006	2007	2008	2009
Minority-group personnel – total	25	25	25	24	24	24
Minority-group personnel – salaried	24	23	23	24	23	23
Minority-group personnel – hourly	26	26	26	24	24	24
Women – total	23	23	23	23	23	23
Women – salaried	33	31	31	32	32	31
Women – hourly	19	19	19	17	18	17

To align with the 2003–2007 reported data, 2008 data has been modified to reflect the Total Company. Previously, 2008 data reported Ford Automotive data only.

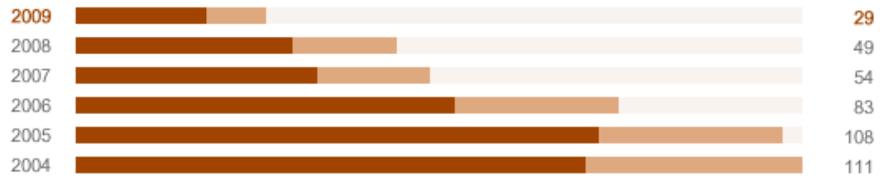
**In This Report:**

Diversity and Inclusion in the Workplace  
Diversity Awards

[back to top](#) 

## G. Charitable Contributions

\$ million



**KEY**  Ford Motor Company Fund  
 Corporate

\$ million

	2004	2005	2006	2007	2008	2009
Ford Motor Company Fund	78	80	58	37	33	20
Corporate	33	28	25	17	16	9
<b>Total</b>	<b>111</b>	<b>108</b>	<b>83</b>	<b>54</b>	<b>49</b>	<b>29</b>

The total amount is less than in previous years, reflecting the challenging business conditions that affected the Company's core automotive business in 2009.

**In This Report:**

Investing in Communities

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## H. Volunteer Corps

Thousand volunteer hours



Thousand volunteer hours

	2006	2007	2008	2009
	80	86	100	100

The Ford Volunteer Corps was founded in 2005, and 2006 is the first year data are available. However, volunteerism and community service have long been a part of Ford's culture, and these efforts were formalized in 1997 with the creation of the 16-hour Community Service Program.

**In This Report:**

Ford Volunteer Corps

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## I. Working Conditions Assessment Status for Supply Chain

Working Conditions Assessments (as of 12/31/09)	Americas	Asia Pacific and Africa	Europe	Global Total
Average violations per assessment	11.4	10.0	12.7	10.7
Assessments completed to date	208	353	54	615
Follow-up assessments completed to date (third party and/or internal)	60	157	60	277

Working Conditions Training (as of 12/31/09)	Americas	Asia Pacific and Africa	Europe	Global Total
Training sessions completed to date	43	42	7	92
Total number of attending companies	599	708	171	1,478
Total number of trained managers	835	716	222	1,773

Scope of Impact: Suppler-Submitted Data (as of 12/31/09)	Global Total
Training cascade to management, individuals trained	10,624
Training cascade to workforce, individuals trained	183,052
Communication to suppliers, number of sub-tier companies	20,778

### In This Report:

Suppliers: Human Rights

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- SOCIETY**

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## Workplace Safety

### DATA ON THIS PAGE

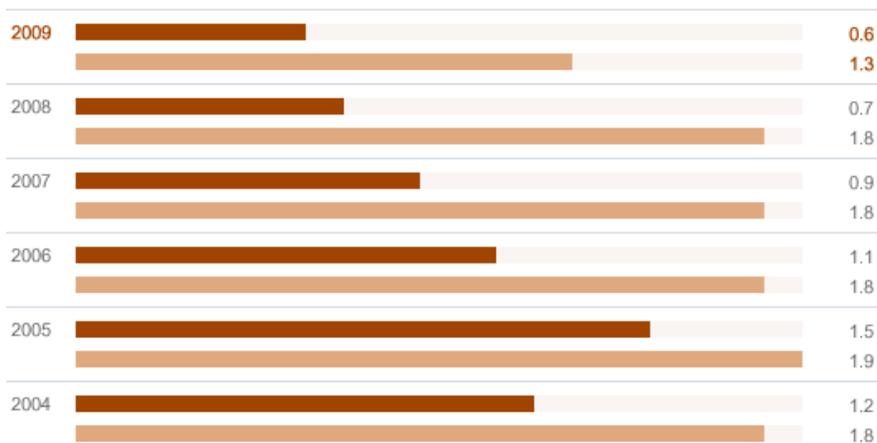
- A. Global Lost-time Case Rate (per 100 Employees)
- B. Lost-time Case Rate by Region (per 100 Employees)
- C. Workplace Health and Safety Violations
- D. Global Fatalities

View all data on this page as [charts](#) | [tables](#)

Note: In prior years, we reported our Global Severity Rate and Severity Rate by Region (both per 100 employees). We do not use these metrics to make business decisions, so we no longer track or report them.

### 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)

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

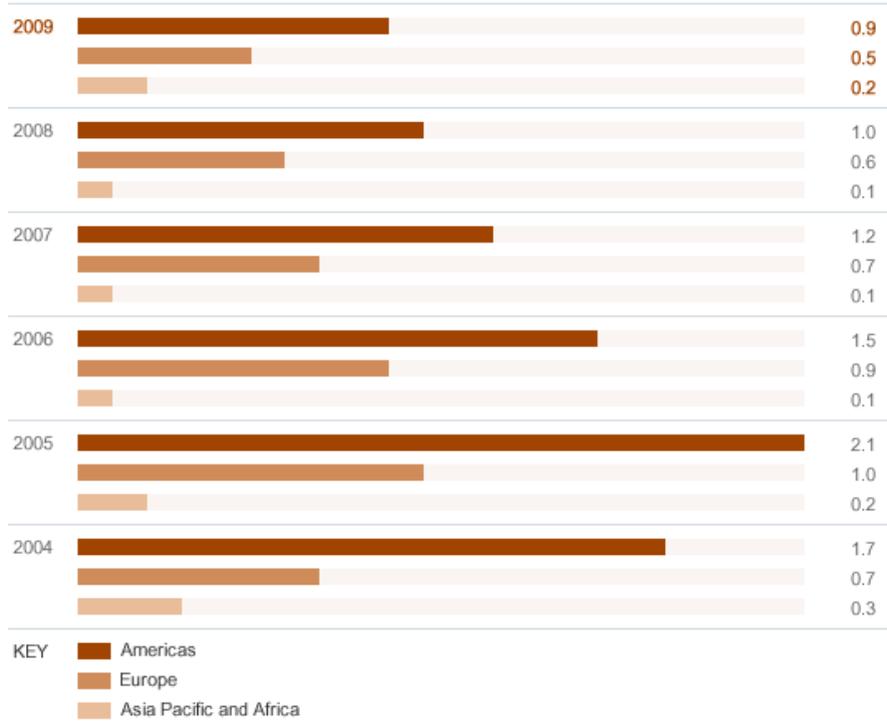
	2004	2005	2006	2007	2008	2009
Ford Motor Company (global)	1.2	1.5	1.1	0.9	0.7	0.6
U.S. Bureau of Labor Statistics average for NAICS Code 3361 (motor vehicles manufacturing)	1.8	1.9	1.8	1.8	1.8	1.3

In This Report:  
[Our 2009 Safety Record](#)

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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



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

	2004	2005	2006	2007	2008	2009
Americas	1.7	2.1	1.5	1.2	1.0	0.9
Europe	0.7	1.0	0.9	0.7	0.6	0.5
Asia Pacific and Africa	0.3	0.2	0.1	0.1	0.1	0.2

European data were amended for 2005.

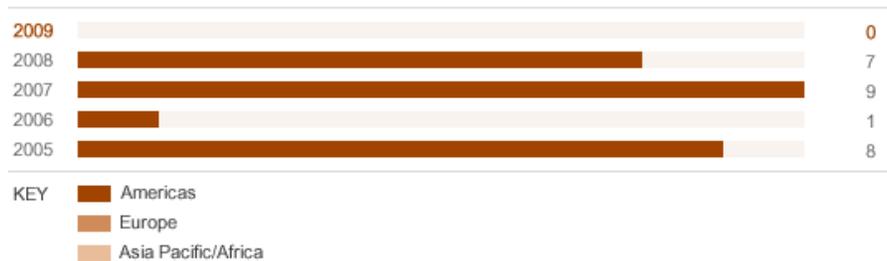
 Reported to regulatory authorities

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## C. Workplace Health and Safety Violations

Number of violations



Number of violations

	2005	2006	2007	2008	2009
Americas	8	1	9	7	0

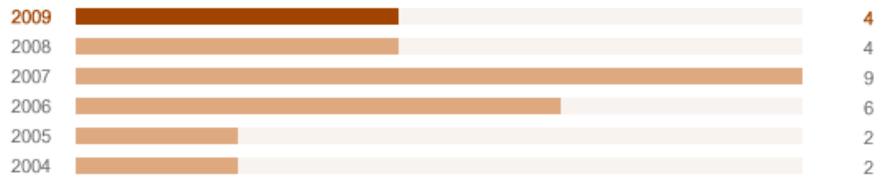
Europe	0	0	0	0	0
Asia Pacific/Africa	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>1</b>	<b>9</b>	<b>7</b>	<b>0</b>

**In This Report:**  
[Our 2009 Safety Record](#)

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## D. Global Fatalities

*Number of fatalities*



*Number of fatalities*

2004	2005	2006	2007	2008	<b>2009</b>
2	2	6	9	4	<b>4</b>

**In This Report:**  
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SOCIETY

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## Vehicle Safety

### DATA ON THIS PAGE

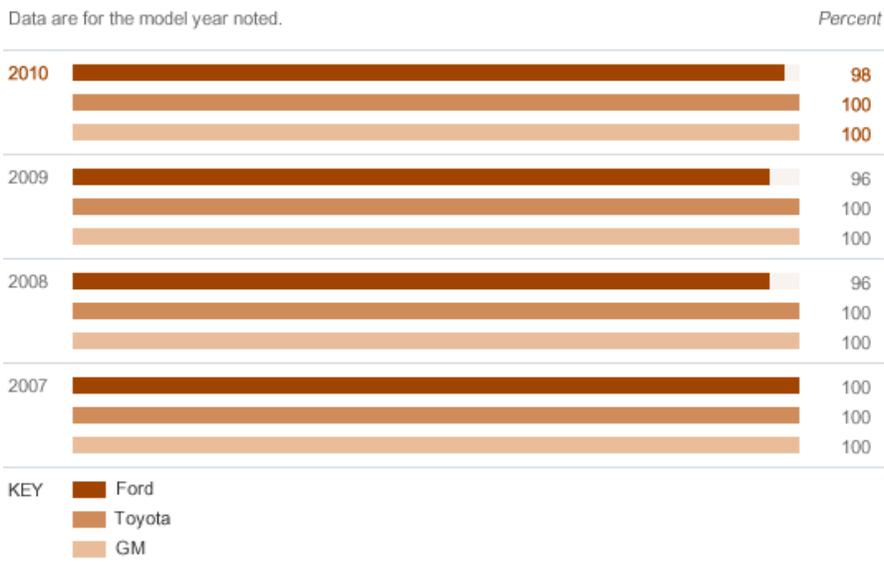
- A. 🔄 Percent of Nameplates Achieving 3-star or Better in Rollover NCAP
- B. 🔄 Percent of Nameplates Achieving 4-star/4-star Frontal NCAP or Better
- C. 🔄 Percent of Nameplates Achieving 5-star/5-star Frontal NCAP
- D. 🔄 Percent of Nameplates Achieving 4-star/4-star or Better in LINCAP
- E. 🔄 Percent of Nameplates Achieving 5-star/5-star or Better LINCAP
- F. 🔄 IIHS Frontal Offset – Percent of Nameplates Achieving "Good" Rating
- G. 🔄 Number of IIHS Top Safety Picks by Manufacturer
- H. 🔄 Euro NCAP Results 2006–8
- I. 🔄 U.S. Safety Recalls

### RELATED LINKS

- Complete ratings data by vehicle can be found on the following Web sites:
- Insurance Institute for Highway Safety
- NHTSA's New Car Assessment Program
- European New Car Assessment Program

View all data on this page as [charts](#) | [tables](#)

### A. Percent of Nameplates Achieving 3-star or Better in Rollover NCAP



Data are for the model year noted.

	Percent			
	2007	2008	2009	2010
Ford	100	96	96	98
Toyota	100	100	100	100
GM	100	100	100	100

### U.S. New Car Assessment Program

[Read about the U.S. New Car Assessment Program.](#)

Ford believes the NHTSA rollover resistance metric is flawed as it does not include a measure of the benefits of electronic stability control systems (ESC). NHTSA's studies have shown the benefits of ESC systems and their potential to improve vehicle stability. Ford believes ESC equipped vehicles should be credited in the resistance to rollover NCAP.



Third party rated ([NHTSA](#))

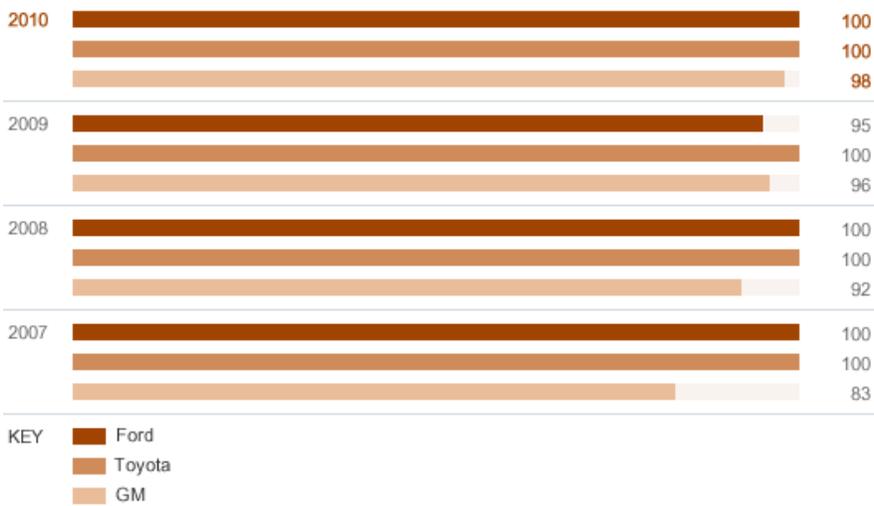
**In This Report:**

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## B. Percent of Nameplates Achieving 4-star/4-star Frontal NCAP or Better

Data are for the model year noted. Percent



Data are for the model year noted.

	2007	2008	2009	2010
Ford	100	100	95	100
Toyota	100	100	100	100
GM	83	92	96	98

### U.S. New Car Assessment Program

[Read about the U.S. New Car Assessment Program.](#)



Third party rated ([NHTSA](#))

**In This Report:**

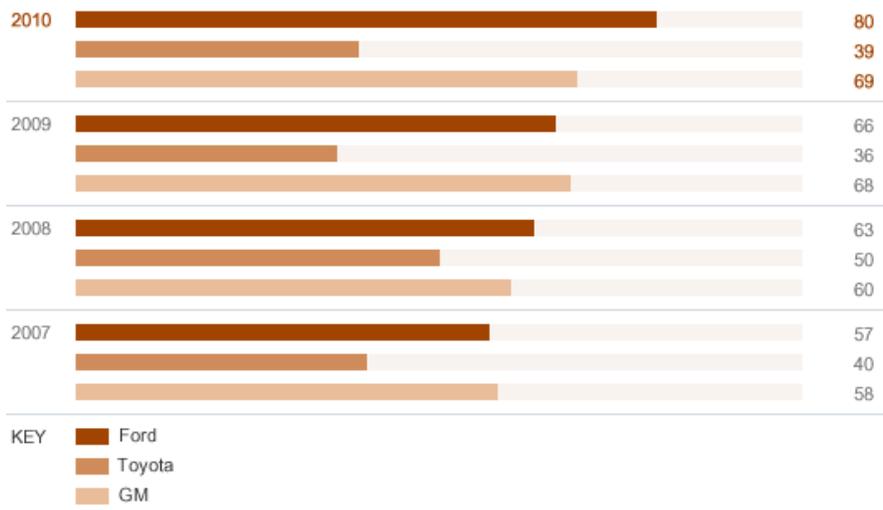
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## C. Percent of Nameplates Achieving 5-star/5-star Frontal NCAP

Data are for the model year noted.

Percent



Data are for the model year noted.

Percent

	2007	2008	2009	2010
Ford	57	63	66	80
Toyota	40	50	36	39
GM	58	60	68	69

#### U.S. New Car Assessment Program

[Read about the U.S. New Car Assessment Program.](#)

From the 2007 to 2010 model years, the percentage of Ford vehicles achieving 5-star/5-star ratings in frontal NCAP tests has increased by 40 percent. Improvements like this are driven in part by our internal Public Domain Guidelines, which are Ford guidelines that focus specifically on helping to ensure that our vehicles earn top marks in relevant public domain assessments.

 Third party rated ([NHTSA](#))

#### In This Report:

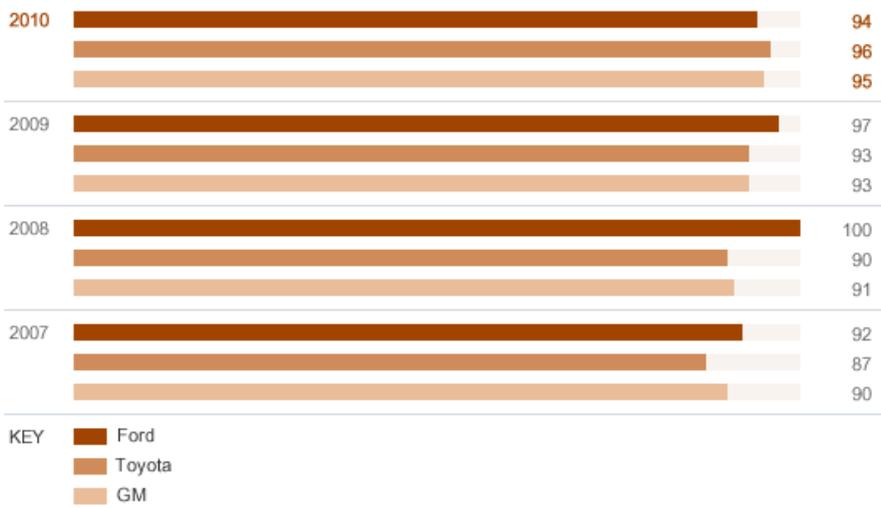
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## D. Percent of Nameplates Achieving 4-star/4-star or Better in LINCAP

Data are for the model year noted.

Percent



Data are for the model year noted.

Percent

	2007	2008	2009	2010
Ford	92	100	97	94
Toyota	87	90	93	96
GM	90	91	93	95

#### U.S. New Car Assessment Program

[Read about the U.S. New Car Assessment Program.](#)



Third party rated ([NHTSA](#))

#### In This Report:

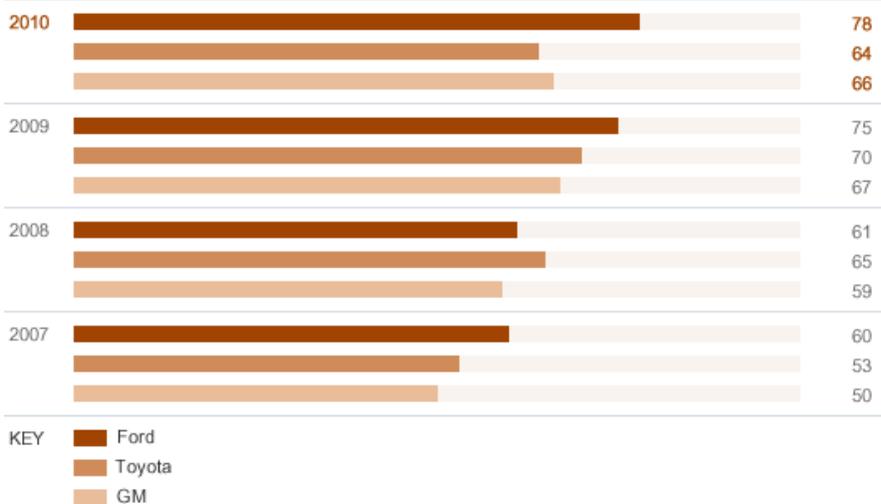
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### E. Percent of Nameplates Achieving 5-star/5-star or Better LINCAP

Data are for the model year noted.

Percent



Data are for the model year noted.

Percent

	2007	2008	2009	2010
Ford	60	61	75	78
Toyota	53	65	70	64
GM	50	59	67	66

### U.S. New Car Assessment Program

[Read about the U.S. New Car Assessment Program.](#)

From the 2007 to 2010 model years, the percentage of Ford vehicles achieving 5-star/5-star or better ratings in the Lateral Impact New Car Assessment Program has increased by 30 percent. Improvements like this are driven in part by our internal Public Domain Guidelines, which are Ford guidelines that focus specifically on helping to ensure that our vehicles earn top marks in relevant public domain assessments.



Third party rated ([NHTSA](#))

#### In This Report:

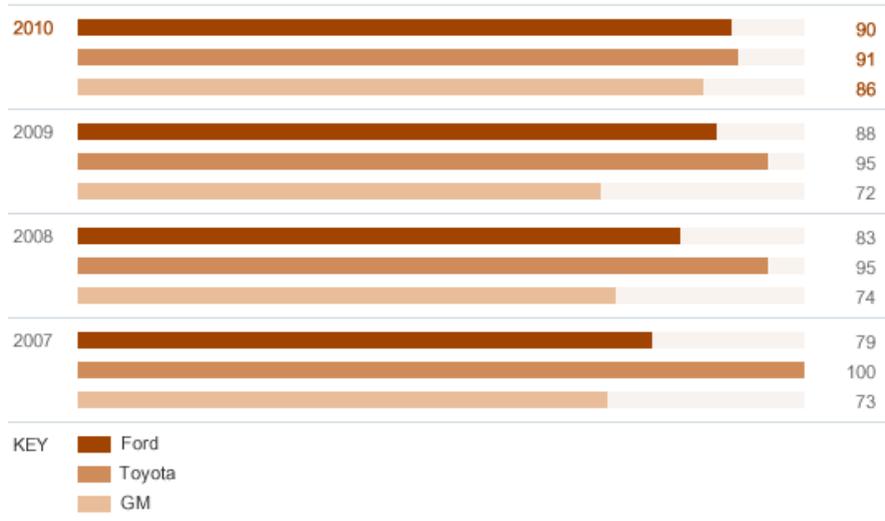
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## F. IIHS Frontal Offset – Percent of Nameplates Achieving "Good" Rating

Data are for the model year noted.

Percent



Data are for the model year noted.

Percent

	2007	2008	2009	2010
Ford	79	83	88	90
Toyota	100	95	95	91
GM	73	74	72	86

In the 40 mph offset test of the Insurance Institute for Highway Safety (IIHS), 40 percent of the total width of a vehicle strikes a barrier on the driver's side. The forces in the test are similar to those involved in a frontal offset crash between two vehicles of the same weight, each going just less than 40 mph. Test results can be compared only among vehicles of similar weight. Like full-width crash test results, the results of offset tests cannot be used to compare vehicle performance across weight classes.

Based on a vehicle's performance in three areas evaluated in the frontal offset crash tested – structural

performance, injury measures and restraints/dummy kinematics – the IIHS assigns a vehicle an overall crashworthiness measure of Good, Acceptable, Marginal or Poor. For more information, go to [www.iihs.org](http://www.iihs.org).

 Third party rated ([IIHS](#))

**In This Report:**

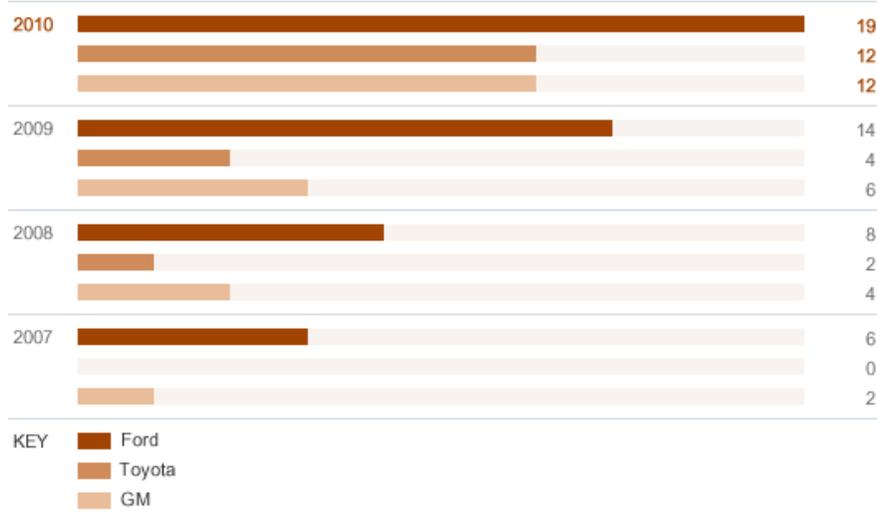
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## G. Number of IIHS Top Safety Picks by Manufacturer

Data are for the model year noted.

Number of vehicles



Data are for the model year noted.

Number of vehicles

	2007	2008	2009	2010
Ford	6	8	14	19
Toyota	0	2	4	12
GM	2	4	6	12

To earn a Top Safety Pick from the Insurance Institute for Highway Safety (IIHS), a vehicle must receive a rating of "good" in offset frontal impact, side impact and rear impact evaluations, and offer electronic stability control. Top Safety Picks are the best vehicle choices for safety within size categories. 2005 (2006 Model Year) was the first year the IIHS issued Top Safety Picks. For 2010, vehicles will also be expected to earn a "good" rating in roof strength tests.

From the 2007 to 2010 model years, the percentage of Ford vehicles earning Top Safety Picks from the IIHS has increased by 217 percent. Improvements like this are driven in part by our internal Public Domain Guidelines, which are Ford guidelines that focus specifically on helping to ensure that our vehicles earn top marks in relevant public domain assessments.

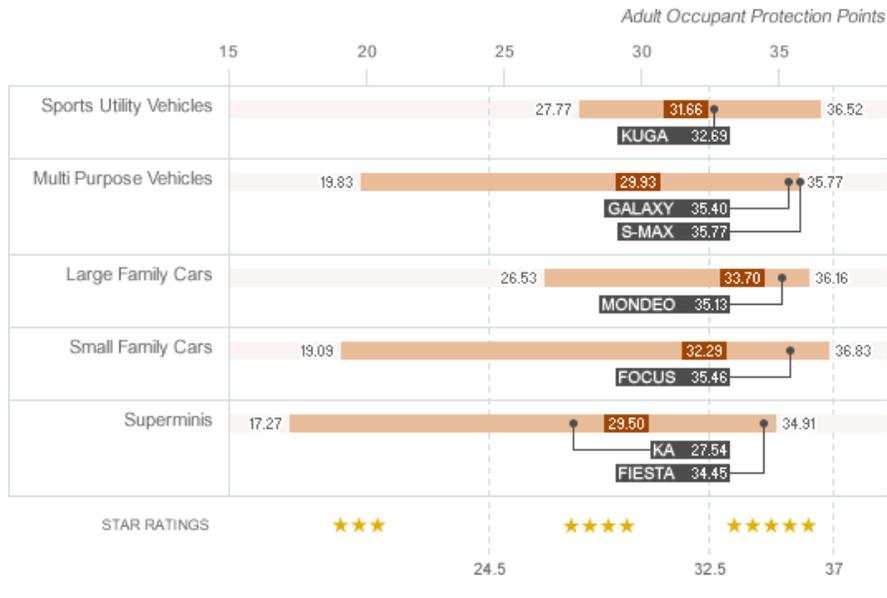
 Third party rated ([IIHS](#))

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## H. Euro NCAP Results 2006–8



KEY Industry MIN AVG MAX  
Ford ●

Adult Occupant Protection Points

	Industry Low	Industry High	Industry Average	Ford results
Sports Utility Vehicles	27.77	36.52	31.66	Ford Kuga: 32.69
Multi Purpose Vehicles	19.83	35.77	29.93	Ford Galaxy: 35.40, Ford S-MAX: 35.77
Large Family Cars	26.53	36.16	33.7	Ford Mondeo: 35.13
Small Family Cars	19.09	36.83	32.29	Ford Focus: 35.46
Superminis	17.27	34.91	29.50	Ford Ka: 27.54, Ford Fiesta: 34.45

EuroNCAP has developed more-stringent requirements, which went into effect in 2009. However, EuroNCAP does not test all vehicles annually, so no Ford vehicles have yet been assessed under the new system. For the vehicles noted in the chart, "adult occupant" ratings range from 0 to 5 stars. 3 star = up to 24.5, 4 star = 24.5 to 32.5, 5 star = 32.5 and above; maximum = 37 points. For additional information, go to [www.euroncap.com](http://www.euroncap.com).

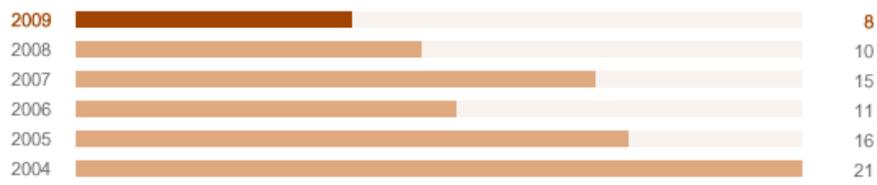
Third party rated ([Euro NCAP](http://Euro NCAP))

**In This Report:**

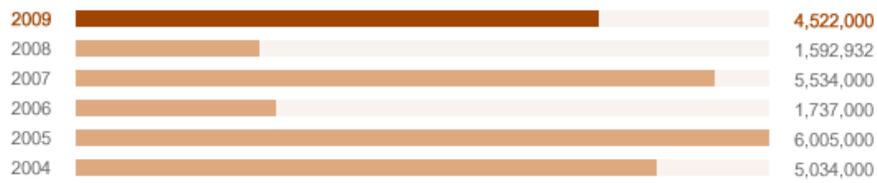
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## I. U.S. Safety Recalls



Number of units



	2004	2005	2006	2007	2008	2009
Number of safety recalls	21	16	11	15	10	8
Number of units	5,034,000	6,005,000	1,737,000	5,534,000	1,592,932	4,522,000

Recalls are by calendar year rather than model year. A single recall may affect several vehicle lines and/or several model years. The same vehicle may have multiple recalls. (Source: U.S. National Highway Traffic Safety Administration.)

All but 12,000 of the 4.5 million vehicles recalled in 2009 are older models (1992–2003) that were equipped with faulty Texas Instruments speed control deactivation switches. Although the data shows the majority of the vehicles equipped with these switches do not pose a significant safety risk, we recalled them to reassure customers and eliminate any future concerns.

 [Reported to regulatory authorities \(NHTSA\)](#)

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### U.S. New Car Assessment Program

Government star ratings are part of the New Car Assessment Program (NCAP) of the U.S. National Highway Traffic Safety Administration (NHTSA). The NCAP rating system is in the process of being significantly altered. As such, fewer vehicles (of all makes) will receive top ratings in the future. Changes to the NCAP system were slated to apply to 2010 model year vehicles, but NHTSA delayed implementation and will now first apply the tougher requirements to 2011 model year vehicles. The following describes how the NCAP system has been applied to date.

In NHTSA's frontal crash rating tests, vehicles with belted front-seat test dummies are crashed into a fixed barrier at 35 mph, which is equivalent to a head-on collision between two similar vehicles, each moving at 35 mph. Since the test is designed to reflect a crash between two similar vehicles, one can meaningfully compare vehicles from the same weight class (within +/- 250 lbs) when looking at frontal crash test ratings.

Instruments measure the force of the impact to each test dummy's head, chest and legs. NHTSA uses the readings from these instruments to estimate the chance that a real occupant would sustain a serious injury in the tested frontal crash. A serious injury is defined as one that requires immediate hospitalization and may be life-threatening.

For side crash ratings, belted test dummies are placed in the driver seat and rear passenger seat (driver's side). The side crash rating is designed to represent an intersection-type collision with a 3,015 lb barrier moving at 38.5 mph into a standing vehicle. The moving barrier is covered with material that has "give" to replicate the front of a vehicle. Since all rated vehicles are impacted by the same size barrier, it is possible to compare all vehicles with each other when looking at side crash protection ratings. Instruments measure the force of impact to each dummy's head, neck, chest and pelvis. Side crash star ratings indicate the chance of a serious chest injury for the driver, front seat passenger and the rear seat passenger (first and second row occupants).

What do the stars mean?

Chance of serious injury



Frontal Crash Rating

10 percent or less

11–20 percent

21–35 percent

36–45 percent

46 percent or greater

Side Crash Rating

5 percent or less

6–10 percent

11–20 percent

21–25 percent

26 percent or greater

For more information, go to [www.nhtsa.dot.gov](http://www.nhtsa.dot.gov).

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## SOCIETY

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Investors

Community

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Ford and Juvenile Diabetes

Water: More Than Just Environmental Concerns

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## Case Studies

### IN THIS SECTION

#### Ford and Juvenile Diabetes

Each year, more than 15,000 children in the U.S. are diagnosed with Type 1 diabetes. The disease, which can strike suddenly, has no cure. For more than 25 years, Ford has been involved in helping to find a cure.

[Read more](#)

#### Water: More Than Just Environmental Concerns

A decade ago, Ford made a commitment to decrease our water use, setting a target of 3 percent year-over-year reductions. Since we launched our Global Water Conservation Initiative in 2000, our global manufacturing facilities have saved more than 10.5 billion gallons of water – a reduction of an impressive 62.4 percent. Water use per vehicle decreased by 44.7 percent from 2000 to 2009. But we realize there's a lot more we can – and should – do.

[Read more](#)



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## SOCIETY

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### Ford and Juvenile Diabetes

Water: More Than Just Environmental Concerns

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## Ford and Juvenile Diabetes

Each year, more than 15,000 children in the United States are diagnosed with Type 1 diabetes. That's 40 children a day. The disease, which can strike suddenly, has no cure.

While insulin can help manage the disease, it does not prevent devastating complications such as kidney failure, blindness, nerve damage, amputations, heart attack and stroke, as well as complications during pregnancies.

For more than 25 years, Ford has been involved in helping to find a cure through our support of the [Juvenile Diabetes Research Foundation](#) (JDRF). In 1983, Ford hosted a JDRF fundraising walk in Dearborn. In 1998, the grassroots employee initiative now known as the Ford Global Walk Team began, with Edsel B. Ford II as the corporate team chair. The event has grown dramatically over the last decade. Since 2002, Ford has been the JDRF's largest corporate – and only international – sponsor.

Ford volunteers donate significant time to leverage the Company's financial support of the JDRF. In 2009, an estimated 12,000 Ford employees, retirees, families and friends, in 10 countries and across three continents, participated in walks and held book sales, silent auctions and raffles to raise money for diabetes research. Together with support from national partner companies, they raised more than \$3.4 million, bringing the total amount raised by Ford volunteers to more than \$30 million since 1998.

Ford is proud to have been presented with the JDRF President's Award for eight consecutive years, earning recognition as the Top Corporate Sponsor in the world.

The JDRF is the leading charitable funder and advocate for juvenile diabetes research. Since its founding in 1970, the JDRF has awarded more than \$1.4 billion to diabetes research, including more than \$101 million in fiscal year 2009.



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## Water: More Than Just Environmental Concerns

A decade ago, Ford made a commitment to decrease our water use, setting a target of 3 percent year-over-year reductions. Since we launched our Global Water Conservation Initiative in 2000, our global manufacturing facilities have saved more than 10.5 billion gallons of water – a reduction of an impressive 62.4 percent. Water use per vehicle decreased by 44.7 percent from 2000 to 2009.

But we realize there's a lot more we can – and should – do. Water conservation has quickly become a critical global issue that extends well beyond environmental concerns. There are significant social and economic implications, too. Among some of the sobering statistics:

- Less than 3 percent of the Earth's water is freshwater. Of that, less than 0.5 percent is accessible to plants, animals and humans.
- Global water consumption is increasing at more than double the rate of human population growth and is expected to triple in the next 50 years.
- If per capita consumption continues to increase at its current rate, the global population will be using over 90 percent of all available freshwater within 25 years.
- An estimated one-third of the world's population currently lives in water-stressed regions. This is expected to increase to two-thirds within 25 years.
- Some 1.2 billion people do not currently have access to clean water.

Water use and availability are, and will continue to be, important to Ford's operations. Many key vehicle manufacturing processes require the use of water. And water is used at every point in our supply chain. Yet, in some areas where we have facilities, freshwater availability is limited.

### Our Water Strategy

We have embarked on a new water strategy that looks at our water use from both an environmental and social perspective.

In 2010, we will be identifying additional opportunities for water reduction with an eye toward setting other water targets and goals. We are engaging with stakeholders to better understand water-related issues that impact Ford Motor Company. And we are assessing the consequences for water quality and availability that may result from the increased production of electric and battery-electric vehicles.

To help guide and inform our approach, we signed on as a founding responder of the Carbon Disclosure Project's (CDP) Water Disclosure, which launched in late 2009 to help institutional investors better understand the business risks and opportunities associated with water scarcity and related issues. The CDP's original project focused on corporate disclosures of greenhouse gas (GHG) emissions and climate change strategies, and we found our participation in that project to be very beneficial in helping us formulate our strategy for GHG reporting. We anticipate similar benefits from CDP Water Disclosure, which will provide a globally harmonized method of water reporting.

By understanding our risk through water usage reporting – and implementing our strategy – we believe we can play an important role in developing and implementing solutions to worldwide water challenges.

Water is increasingly becoming a human rights issue – as in a "right to water." Companies that under-perform on water issues will face scrutiny over human rights violations. This will be especially true for companies with operations in water-stressed areas.

## Our Work in Mexico

Ford's Hermosillo Stamping and Assembly Plant is located in the Sonoran Desert of northwest Mexico, south of the Arizona border. There, an extended drought that began in 1995, coupled with population growth, created a severe water shortage. At Hermosillo, we have cut water use despite a doubling in the production of vehicles. This unusual feat has been accomplished through the addition of innovative water treatment systems that allow extensive recycling of water within the plant.

As one of the area's largest water users, the plant responded to the drought conditions by cutting water usage by 43 percent between 1995 and 2000. But when it was selected for expanded vehicle production in 2003, water use was projected to double.

To accommodate the growth in production without increasing water use, the plant installed a biological water treatment system called a Membrane Biological Reactor, now also installed at our plants in Chihuahua, Mexico; Chennai, India; and Chongqing, China. The system uses an ultra-filtration membrane process followed by reverse osmosis to make 55 percent of the plant's wastewater suitable for high-quality reuse within the plant's processes. The treated water can also be used for irrigation, bringing to 65 percent the amount of wastewater that can be recycled.

As a result, our water consumption per vehicle unit at the plant has dropped by over 34 percent since 2000.

Overall, our worldwide facilities have been able to reduce water consumption by tracking water use during plant downtimes; by optimizing cooling tower operations; and by investing in advanced technologies. Our Global Emissions Manager (GEM) database helps track our efforts.

As we look ahead, we will be developing ways to integrate a water strategy throughout all elements of our operation, including engaging our employees on community volunteer efforts geared toward water protection and conservation. We will also focus on our suppliers and how they are addressing issues of water scarcity.