



# Sustainable Financing Report 2022



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# Introduction



Ford Motor Company is known around the world for designing, manufacturing, marketing, financing and servicing a full line of Ford trucks, utility vehicles, cars and vans – increasingly through electrification. After launching our Sustainable Financing Framework and inaugural Green Bond in 2021, we continue to evolve our process to show the indelible link between our commitment to sustainability and our continued success.

The value of our business is rooted in our purpose to help build a better world where every person is free to move and pursue their dreams. That means that we are directing our investments to what is good for people and the planet. It also means we are setting the pathway for a strong business that will continue for decades to come. We will win by being financially healthy and effective in sustainability, which we believe are mutually dependent objectives. All of this is because we understand that the future of this company centers on a purpose bigger than building vehicles.

To that end, we introduced the North American auto industry's first Sustainable Financing Framework in 2021, which focused on our ambitious plans for vehicle electrification and other environmental and social initiatives. That was followed by our inaugural Green Bond and, after one full year, we are reporting our progress on the allocation of those proceeds and the impact we are making.

In August 2022, we issued our second Green Bond and we will be reporting on our progress in allocating those proceeds in our 2023 Sustainable Financing Report.

Our goal is to help shape the future of zero-emission transportation while creating value for customers, investors and other stakeholders.

[➔ Read more in our Sustainable Financing Framework](#)



# Overview

We are accelerating the electrification revolution. We are committed to being fully carbon neutral worldwide across our vehicles, facilities, and supply chain no later than 2050.

Acting now to ramp up production of our zero-emission vehicles, we have pledged to work towards sales of all new cars and vans being zero-emission globally by 2040, and we are on track to have 50% of our global vehicle mix fully electric by 2030.

Our Sustainable Financing Framework – the first of its kind covering both an automotive OEM and its captive finance company – supports the financing of these environmental and social projects through various funding markets, including unsecured debt and securitization transactions. Net proceeds raised can be invested in four different areas: Clean Transportation, Clean Manufacturing, Making Lives Better, and Community Revitalization.

Our Framework achieved the highest possible “Advanced” rating from second-party opinion provider Vigeo Eiris based on our approach to evaluating, selecting, managing, and reporting on sustainable initiatives included in the framework. In June 2022, our inaugural Green Bond was recognized by the Climate Bonds Initiative for making history as the largest green bond from a non-financial U.S. corporation to date.

This report provides an update on our sustainability initiatives and our Green Bond issuances. As used in the report, “EV” has the same meaning as “BEV” as used in the Prospectus Supplements related to the Green Bond issuances and our Sustainable Financing Framework.

[➔ Read more in the Vigeo Eiris report](#)



## Awards

Our Green Bond won the Green Debt Instruments Category at the 7th Annual Climate Bonds Awards 2022

[➔ Read more](#)



Our Green Bond was a key part of Ford being named Corporate Issuer of the Year at the 2021 IFR Awards

[➔ Read more](#)



# Our Sustainability Strategy and Aspirations

Our sustainability strategy is to make a positive contribution to society and the environment.

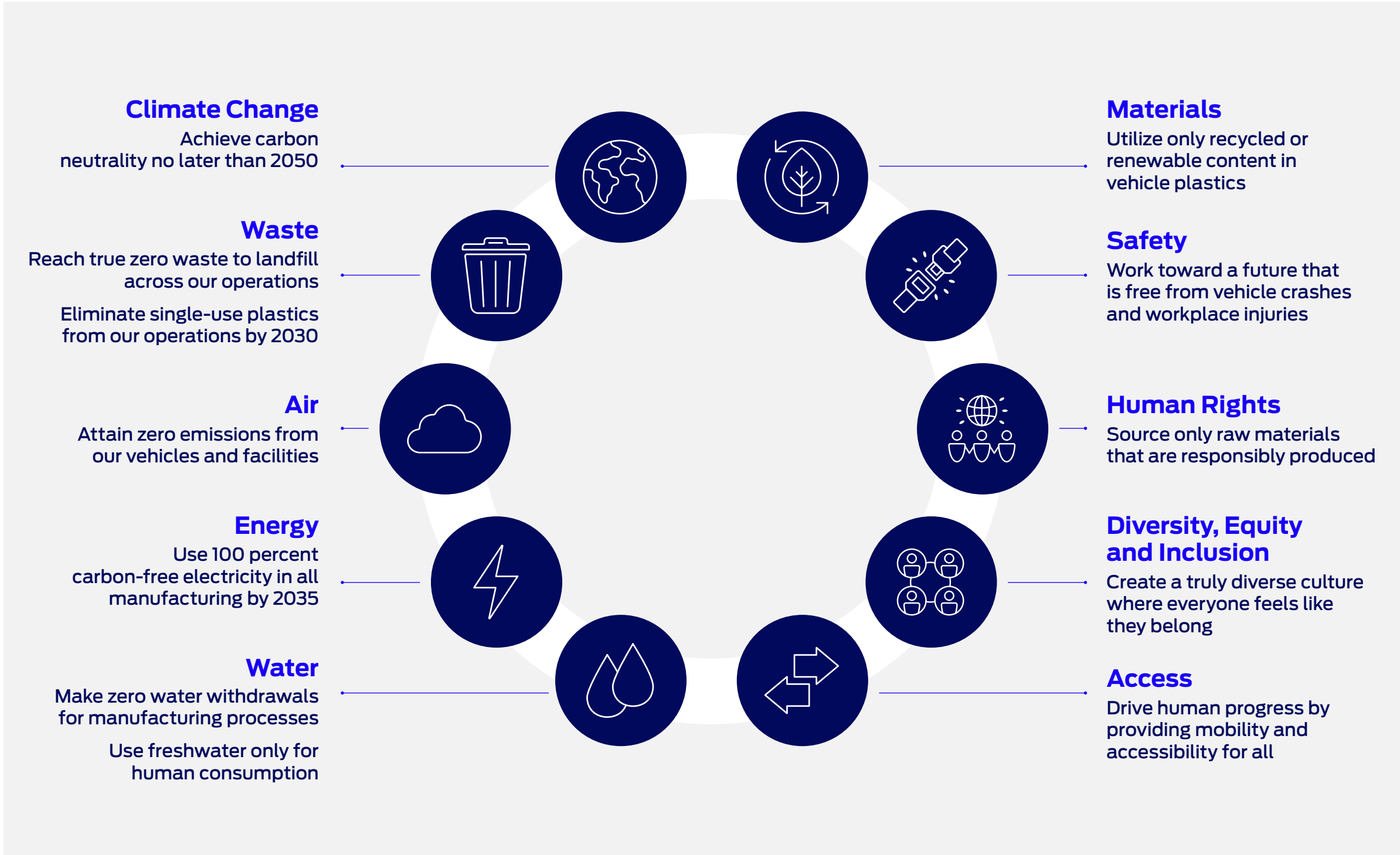
A better world requires a future that is inclusive, equitable, and sustainable. As we continue our journey to electrification and carbon neutrality, we are committed to a strategy that addresses the needs of our people, our planet, and our customers. It is at the heart of our purpose, and it is driving our path forward.

That is why Ford is acting now to produce no-compromise electric vehicles like the Mustang Mach-E, F-150 Lightning, and E-Transit. And it is why we are aiming to reach carbon neutrality no later than 2050, by reducing emissions from our operations and throughout our entire supply chain, while pushing the boundaries of innovation and technology.

We are reimagining how EVs – and the batteries that power them – are designed, manufactured, and recycled, creating an all-new electric vehicle manufacturing ecosystem. We are also working closely with our suppliers, from factories to mines for raw materials, to both reduce carbon emissions and help the people and communities around them thrive.

We are building a more equitable and inclusive business by focusing on making a positive impact. Through our community engagements, we are making lives better. And we are building a culture where our people feel that they belong. We are committed to leadership in human rights and the environment in every single part of our business, because fulfilling our purpose depends on it.

[➔ Read more in the Integrated Sustainability and Financial Report 2022](#)









# Sustainable Financing Framework

The Sustainable Financing Framework announced in November 2021 – on the sixth anniversary of the Paris Climate Agreement – focuses on our ambitious plans in clean transportation, clean manufacturing, making lives better, and community revitalization.

An amount equal to the net proceeds from each Sustainable Financing will be used to finance or refinance, in whole or in part, new or existing green and/or social projects, assets, or activities of Ford or Ford Credit that meet our eligibility criteria. Ford's and Ford Credit's intention is to fully allocate the net proceeds of each Sustainable Financing within 24 months of its issuance. Ford has established a Sustainable Finance Committee, made up of senior leaders, to oversee the project evaluation and selection process and to ensure selected projects comply with the eligibility criteria.

Following the release of the Framework, Ford issued an inaugural Green Bond in November 2021 – a \$2.50 billion transaction which was the first for a North American automaker. This was followed by a second Green Bond of \$1.75 billion in August 2022.

The financing will be allocated and invested in the following areas (for a more detailed description, please see our Framework):

Financing area	Ford	Ford Credit
<b>Clean Transportation</b> 	Investments and expenditures (including acquisition costs, research and development, and licensing costs) for the design, development and manufacturing of zero-emission vehicles that are electric vehicles (EV), fuel cell electric vehicles (FCEV) or other future carbon-neutral transportation.	Offering automotive financing products and wholesale loans for vehicles that are purchased, in whole or in part, by Ford Credit and that meet the eligibility criteria.
<b>Clean Manufacturing</b> 	Investments and expenditures related to improving the environmental footprint of our operations.	
<b>Making Lives Better</b> 	Expenditures focused on advancing economic opportunity and equity for underrepresented and/or disadvantaged populations.	Expanding access to essential services by providing automotive financing products and advancing economic opportunity and equity for all.
<b>Community Revitalization</b> 	Expenditures and investment in internal and external projects that provide support or uplift to disadvantaged communities through creating and renovating spaces to provide opportunities for economic employment and access to essential services.	

## Related sustainable financing initiatives

Ford also has over \$17 billion in revolving corporate credit facilities, which now include key sustainability metrics that further align our financing actions with our commitment to operate a safe, sustainable, and successful business – including our vehicle electrification carbon neutrality goals.

[➔ Read more in our Sustainable Financing Framework](#)



**A Better World For Generations To Come**

Ford and Ford Credit Sustainable Financing Framework November 2021

# Allocation of Proceeds

The net proceeds from our first two Green Bonds will be allocated exclusively to Clean Transportation projects and specifically to the design, development, and manufacture of our electric vehicle portfolio.

Between January 1, 2021 and August 31, 2022, \$2.16 billion of the net proceeds – about 87% – of the first Green Bond have been allocated, and we expect the remaining 13% of the net proceeds to be allocated before the end of 2022.

Approximately 83% of the spending so far has been allocated to investments into specific products in our EV lineup. A significant portion of that has been spending for vehicles already available for customers now – the Mustang Mach-E, F-150 Lightning, and E-Transit. However, we have also allocated spending to vehicles that are still in the design and development phase and will be unveiled in the future.

The other 17% has been allocated to development activities that will benefit our entire EV portfolio. These investments include the development of eDrive motors that will power our existing and future EV lineup and the unique tech stack architecture required for electric vehicles. We have also allocated about \$55 million of spending to Ion Park, our Battery R&D Center in Michigan.

We have not yet allocated any of the net proceeds of the second Green Bond we issued in August 2022. Consistent with the guidance provided at the time of that issuance, we expect the majority of proceeds to be allocated to spending after the date of issuance and the allocation to be completed by year-end 2023.

## Green Bond Issuances

Issuer	CUSIP	Issuance type	Currency	Notional (\$B)	Coupon	Issue Date	Maturity Date
Ford Motor Company	345370DA5	Senior unsecured notes	USD	\$2.50	3.25%	Nov 12, 2021	Feb 12, 2032
Ford Motor Company	345370DB3	Senior unsecured notes	USD	\$1.75	6.10%	Aug 19, 2022	Aug 19, 2032

## Allocation of proceeds

### Green Bond issued Nov 2021

\$2.50B

87% Allocated<sup>1</sup>

100% to be allocated before the end of 2022

83% Investments into specific products in our EV lineup

17% Investments into cross portfolio EV development

➔ See assumptions on page 11

### Green Bond issued Aug 2022

\$1.75B

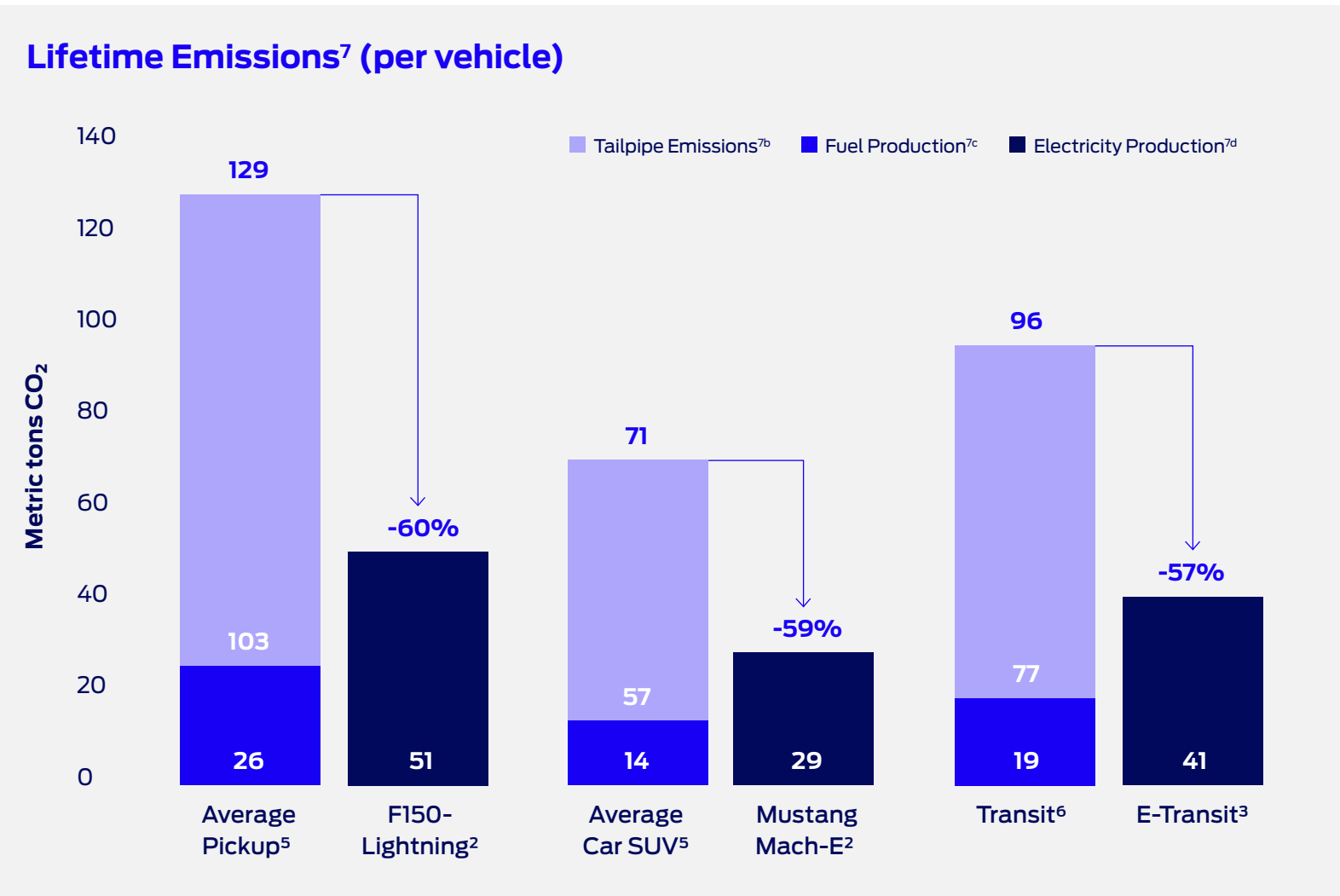
To be allocated

100% to be allocated before the end of 2023

# Impact of Investments

Here are some examples of how the financing we allocated contributes to sustainability and helps build a better world.

Driving a Ford EV<sup>2,3</sup> that is charged using U.S. grid-average electricity<sup>4</sup> can reduce carbon dioxide emissions by as much as 60% compared to driving a similar internal combustion engine vehicle (ICEV)<sup>5,6</sup>. The savings include carbon dioxide emissions emitted during both fuel production and at the tailpipe of the ICEV, together known as well-to-wheels emissions<sup>7</sup>, and the production of the electricity used for charging the EV. As the electric grid continues to shift to carbon-free energy sources, carbon dioxide emissions from electricity production are expected to further decrease creating even greater carbon dioxide emissions savings.



## What does this mean for the environment?

### F-150 Lightning Platinum<sup>2,7a</sup> (ext. range)



Lifetime EV CO<sub>2</sub> Savings vs. ICEV (metric tons)

78

Equivalent to gallons of gasoline not used<sup>8</sup>

8,777

### Mustang Mach-E RWD<sup>2,7a</sup> (base range)



Lifetime EV CO<sub>2</sub> Savings vs. ICEV (metric tons)

42

Equivalent to gallons of gasoline not used<sup>8</sup>

4,726

### E-Transit<sup>2,7a</sup> (low roof)



Lifetime EV CO<sub>2</sub> Savings vs. ICEV (metric tons)

55

Equivalent to gallons of gasoline not used<sup>8</sup>

6,189

[→ See assumptions on page 11](#)



# Management Assertion

Management of Ford Motor Company is responsible for the completeness, accuracy and validity of Ford Motor Company’s management assertion. Management asserts that, between January 1, 2021 and August 31, 2022, \$2.16 billion of the net proceeds of \$2.48 billion from the November 2021 issuance of the \$2.50 billion 3.25% Notes due February 12, 2032 were allocated to Eligible Projects for Clean Transportation as set out in the “Use of Proceeds” section of the Prospectus Supplement dated November 8, 2021 and further described below.

Management also notes the Eligibility Criteria and the time period in which the allocated spending will have occurred per the Prospectus Supplement dated November 8, 2021 are more narrow in scope and shorter in time period than the provisions outlined in the Sustainable Financing Framework as are the time period in which the allocated spending will have occurred.

**Clean Transportation Eligibility Criteria**

For the purposes of this assertion, Eligible Projects for Clean Transportation includes investments and expenditures, as described below, related to the design, development, and manufacturing of zero-emission EVs. As used in this management assertion, “EV” has the same meaning as “BEV” as used in the Prospectus Supplements related to the Green Bond issuances and our Sustainable Financing Framework.

- Research and development dedicated to zero-emission EVs and technology, which includes testing, development of facilities, tooling, and manufacturing of zero-emission EVs;
- Manufacturing facilities, including new facilities and upgrading or modifying current manufacturing facilities, to produce zero-emission EVs; and
- Projects related to the manufacturing and/or procurement of components for electric vehicles such as batteries and powertrains, as well as remanufacturing and/or recycling of batteries.

**Targeted Sustainable Development Goals**



[➔ Read more in our Prospectus Supplement](#)





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# Report of Independent Accountants

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To the Management of Ford Motor Company

We have examined the accompanying management assertion of Ford Motor Company that, between January 1, 2021 and August 31, 2022, \$2.16 billion of the net proceeds of \$2.48 billion from the November 2021 issuance of the \$2.50 billion 3.25% Notes due February 12, 2032 were allocated to Eligible Projects for Clean Transportation in accordance with the Eligibility Criteria as defined in the management assertion. Ford Motor Company’s management is responsible for its assertion. Our responsibility is to express an opinion on management’s assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management’s assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Only the information included in the management assertion of Ford Motor Company on page 9 is part of our examination engagement. The other information in this Sustainable Financing Report 2022 has not been subjected to the procedures applied in our examination engagement, and accordingly, we make no comment as to its completeness and accuracy and do not express an opinion or provide any assurance on such information.

In our opinion, management’s assertion is fairly stated, in all material respects.

A handwritten signature in dark ink, appearing to read "PricewaterhouseCoopers LLP", written over a light grey circular stamp.

Detroit, Michigan  
December 12, 2022

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*PricewaterhouseCoopers LLP, 500 Woodward Ave, Detroit, MI  
T: 313-394-6000, [www.pwc.com/us](http://www.pwc.com/us)*



# Assumptions/Footnotes

- 1

Net proceeds of \$2.48 billion from the 3.25% Notes due February 12, 2032.
- 2

The 2022 model year F-150 Lightning Platinum (ext. range) and Mustang Mach-E RWD (base range) city and highway kWh/100 mile were obtained from [fueleconomy.gov/](https://www.fueleconomy.gov/) and weighted 43% city, 57% highway to get real-world combined kWh/100 mile, following the 2021 U.S. EPA Automotive Trends Report methodology ([epa.gov/automotive-trends](https://www.epa.gov/automotive-trends)): F-150 Lightning Platinum (ext. range) 51.7 kWh/100 miles and Mustang Mach-E RWD (base range) 33.3 kWh/100 miles.
- 3

The estimated City and Highway kWh/100 miles for E-Transit (130-inch wheelbase, low roof) were analytically derived using models based on test procedures and calculations for light-duty electric vehicles set forth in 40 CFR Part 600, with inputs reflecting E-Transit attributes including Average Loaded Vehicle Weight Engineering Test Weight (ALVW ETW). Applying the EPA trends report real-world weightings of 43% city and 57% highway, gives combined real-world 62.3 kWh/100 miles. Estimates are illustrative only and not representative of all drivers or circumstances. Actual mileage will vary based on external environment (including ambient temperature), driving behaviors, payload, vehicle use, vehicle, charging habits, lithium-ion battery age and state of health, vehicle upfits and alterations, and other factors.
- 4

The U.S. average grid emissions are 440 gCO<sub>2</sub>e/kWh, which includes emissions from electricity generation (from EPA eGRID2020, [epa.gov/egrid](https://www.epa.gov/egrid)) and upstream emissions for fuel feedstock production and transmission losses (from GREET 2021, [greet.es.anl.gov/](https://www.greet.es.anl.gov/)).
- 5

The comparable internal combustion engine vehicle (ICEV) MPG are the preliminary 2021 model year segment-average real-world values for Car SUV (30.5 MPG) and pickup (19.4 MPG), from the 2021 U.S. EPA Automotive Trends report ([epa.gov/automotive-trends](https://www.epa.gov/automotive-trends)).
- 6

Estimated city and highway MPG for ICEV Transit (130-inch wheelbase, low roof) analytically derived using models based on EPA test procedures and calculations for light-duty gasoline-powered vehicles set forth in 40 CFR Part 600, with inputs reflecting 2021 3.5L PFDI gasoline-powered Transit attributes including Average Loaded Vehicle Weight Engineering Test Weight (ALVW ETW). Applying the EPA trends report real-world weightings of 43% city and 57% highway, gives combined real-world 17.3 MPG. Estimates are illustrative only and not representative of all drivers or circumstances. Actual mileage will vary based on external environment (including ambient temperature), driving behaviors, payload, vehicle use, vehicle, charging habits, lithium-ion battery age and state of health, vehicle upfits and alterations, and other factors.
- 7

Lifetime CO<sub>2</sub> emissions are calculated on a well-to-wheels basis, including CO<sub>2</sub> from the ICEV tailpipe, ICEV fuel production, and EV electricity production.

7a

Lifetime miles for F-150 Lightning/Pickup (225,865) and Mustang Mach-E/Car SUV (195,264) are defined in 40 CFR 86.1865 12(k)(4) and for E-Transit/Transit useful life (150,000) in 49 CFR 535.5 (a)(10)(ii).

7b

Tailpipe (tank-to-wheels) CO<sub>2</sub> emissions are calculated by dividing 0.008887 metric tons CO<sub>2</sub>/gallon gasoline (EPA Automotive Trends Report) by the vehicle MPG and multiplying by the lifetime miles.

7c

Fuel production CO<sub>2</sub> emissions (well-to-tank) are calculated by multiplying the tailpipe CO<sub>2</sub> by 0.25, following the 2021 U.S. EPA Automotive Trends Report methodology ([epa.gov/automotive-trends](https://www.epa.gov/automotive-trends)).

7d

Electricity production CO<sub>2</sub> emissions are calculated by multiplying the EV kWh/100 miles by the electric grid CO<sub>2</sub>-intensity 0.000440 metric tons CO<sub>2</sub>e/kWh and multiplying by the lifetime miles.
- 8

The CO<sub>2</sub> savings from EVs are converted to an equivalent gallons of gasoline not used based on the EPA Greenhouse Gas Equivalencies Calculator, which applies the factor 0.008887 metric tons CO<sub>2</sub> per gallon of gasoline consumed ([epa.gov/energy/greenhouse-gas-equivalencies-calculator](https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator)).

**Sustainability Finance links**

**Framework**  
[Ford and Ford Credit Sustainable Financing Framework November 2021](#)

**Integrated Sustainability and Financial Report 2022**  
[Helping Build a Better World](#)

**Prospectus**  
[November 2021 Green Bond](#)  
[August 2022 Green Bond](#)

**Ratings Report**  
[Vigeo Eiris Report](#)

**Awards**  
[Climate Bond Awards 2022](#)  
[IFR Awards 2021](#)



**Disclaimer**

The information and opinions contained in this Sustainable Financing Report are provided as of the date of this Sustainable Financing Report and are subject to change without notice.

Statements included or incorporated by reference in this Sustainable Financing Report may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts and assumptions by our management and involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those stated. Ford cannot be certain that any expectation, forecast or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. The forward-looking statements speak only as of the date of their initial issuance, and Ford does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future or otherwise. For additional discussion, see “Item 1A. Risk Factors” in Ford’s most recent annual report on Form 10-K, as updated by Ford’s subsequent filings with the Securities and Exchange Commission.

Our registration statement (including a base prospectus) (File No. 333-236450), and accompanying prospectus supplement were filed with the SEC for any offering to which this communication relates, and can be found for free by visiting EDGAR on the SEC website at [sec.gov](http://sec.gov). This presentation shall not be deemed an offer to sell or a solicitation of an offer to buy our securities.



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