



On The Road
to Better

Helping Build a Better World

Integrated Sustainability
and Financial Report
Summary 2023



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On the Road to Better



Since our very earliest days, Ford has thrived on change and fresh thinking.

This year, as we celebrate our 120th anniversary, we welcome the opportunity to further evolve – to reimagine what we build, reinvent our workplaces and better understand the people we serve.

We are helping to build – not just a better vehicle, but a better world. A world where every person is free to move and pursue their dreams.

People everywhere are looking to businesses for solutions and, as this report demonstrates, we are taking bold actions to build trust with our stakeholders globally and create value responsibly.

We are shaping the future of mobility – one that is inclusive, equitable and sustainable. And we are transforming our company keenly focused on people and the planet.

In Ford's third Integrated Sustainability and Financial Report, we are building on more than two decades of leadership in sustainability reporting to share the progress we have made over the last year.

We recognize we have a long way to go, but we are definitively **on the road to better.**

► READ MORE IN:
[INTEGRATED SUSTAINABILITY AND FINANCIAL REPORT](#)
[HUMAN RIGHTS PROGRESS REPORT](#)
[CLIMATE CHANGE REPORT](#)

Letter from Bill Ford and Jim Farley

This year, Ford is celebrating our 120th anniversary.

“Our values have always driven this company forward. The greatest measure of Ford’s success is whether we are improving the lives of our customers, employees and people in the communities in which we operate.”

BILL FORD, EXECUTIVE CHAIR



BILL FORD



JIM FARLEY

Though much about our world is changing, Ford’s purpose is the same today as it was when the first Model T was designed. We want to help build a better world where every person is free to move and pursue their dreams.

We believe that the long-term success of any business depends on how it creates value for its customers, employees, and communities, while also caring for the planet. Our shared challenge now is bringing even greater urgency to protecting the planet, advancing social equity and supporting a just transition to electric vehicles.

In 2022, the Ford team reimagined our products, services and the way we work to align with our environmental and social priorities. We announced that we would reorganize our global automotive operations into three distinct business segments: Ford Blue, Ford Model e and Ford Pro. As a result, we are forming deeper customer relationships, creating lifestyle-enhancing technology and pursuing exciting products. Last year we invested in renewable energy, new facilities and upgrades to existing facilities and announced the creation of thousands of jobs. We began the work of bringing electric vehicles to scale.

We are committed to creating a carbon-neutral transportation future. To that end, we plan to source 100% carbon-free electricity for our global manufacturing efforts by 2035. Last year, we made the largest renewable energy purchase from a utility in U.S. history. Ford also issued its inaugural Sustainable Financing Report, highlighting how the net proceeds from the company’s first Green Bond are being allocated to support the design and manufacturing of Ford’s electric vehicles. Lastly, we are supporting our suppliers, ensuring they set and meet science-based targets to reduce their carbon footprint, a critical element of our sustainability efforts that include clean air and clean water initiatives.

We are also using our purchasing power not only to fuel our business needs but also to protect our customers, communities and the environment. We have invested resources to better understand the origins of our raw materials and ensure they are sourced responsibly.

Last year, 3BL Media’s Best Corporate Citizen ranking listed Ford first in the human rights category, and the World Benchmarking Alliance recognized us as the top automotive company in human rights for the second time in a row. And through the work of the Ford Fund, our philanthropic arm, we continue to partner with communities to expand access to resources and opportunities that help move people forward.

Ford is undertaking a massive transformation to lead the electric vehicle revolution, and the accomplishments in this report signal our genuine commitment to doing so in a way that is consistent with our values. Around the world, we are planning to invest more than \$50 billion from 2022 through 2026 to create a carbon-neutral transportation future. We are on track to reach an annual targeted production run rate of 600,000 electric vehicles globally by the end of 2023, and 2 million by the end of 2026. Ford was the second best-selling electric vehicle brand in the U.S. in 2022. Mustang Mach-E production continues to grow with an order bank in the thousands – two-thirds of customers are new to Ford. F-150 Lightning has been America’s best-selling electric truck¹ since its launch and the E-Transit led the electric van segment in 2022 at 73% share in the U.S.

We take the long view at Ford, and we are excited and optimistic about the future. We know we are on the road to better.

Thank you for your interest in Ford Motor Company, and we invite you to read more about our progress and plans in this report.

Bill Ford
Executive Chair

Jim Farley
President and Chief Executive Officer

Our Sustainability Strategy

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

We have developed specific strategies to address our contribution to the challenges the world faces and achieve our Sustainability Aspirations. For details on each strategy and progress made against them see the full [Integrated Sustainability and Financial Report](#).

OUR MATERIAL TOPICS

Our material topics reflect Ford’s significant sustainability impacts – with due consideration given to global trends; the associated risks and opportunities; the interests and expectations of stakeholders; and Ford’s organizational purpose, strategies and goals.

In our 2023 sustainability materiality assessment, we identified five topics that have the highest impact on the environment and society, as well as our business and stakeholders. These topics are listed in alphabetical order, as opposed to order of importance.

- Climate change and carbon neutrality
- Electric vehicles, batteries and charging infrastructure
- Human capital management and diversity, equity and inclusion
- Human rights and supply chain management
- Product safety and quality

Moreover, ESG topics are often linked to one another, and their interdependencies must be considered.

► [READ MORE ABOUT OUR 2023 MATERIALITY ASSESSMENT IN THE INTEGRATED SUSTAINABILITY AND FINANCIAL REPORT](#)



Financial Highlights

We are making progress with our ambitious growth strategy, we have incredible products – both on the road and in the pipeline – and we have a world-class leadership team, made up of new and existing talent. 2023 is a pivotal year for Ford. It is time for us to execute and deliver for all our stakeholders.

PEOPLE, PLAN, PRODUCTS POSITION FORD WELL FOR 2023

Ford made rapid progress carrying out its ambitious Ford+ plan for growth and value creation in 2022, and establishing itself as a leader in connected, electric vehicles. Customers made Ford the number two seller of electric vehicles in the U.S. during the year.

Our financial performance in 2022 was below our expectations due to higher than expected costs and continued supply chain issues. We are working with urgency to improve our industrial platform – especially around quality and complexity reduction. We generated a record \$9.1 billion in adjusted free cash flow during the year, as the disciplined capital allocation, exciting enhancements to our vehicle portfolio and changes to streamline and de-risk our geographic footprint and vehicle portfolio yield higher quality growth and improved returns.

Effective January 1, 2023, we are now formally managing Ford according to three distinct, customer-focused business segments – Ford Blue, Ford Model e, and Ford Pro. This segmentation puts us on the path to building a stronger, more resilient business that will generate sustainable, profitable growth for decades to come.

Our balance sheet remains strong and we ended the year with \$32 billion of cash and \$48 billion of liquidity. This, coupled with the improvement in free cash flow from our automotive operations, provides us with ample flexibility to both fund our Ford+ growth priorities and return capital to our shareholders. Going forward, we intend to target distributions of 40% to 50% of adjusted free cash flow.



2022 FINANCIAL HIGHLIGHTS

REVENUE:

\$158.1B

(2021: \$136.3B)

ADJUSTED EBIT MARGIN²:

6.6%

(2021: 7.3%)

NET INCOME/(LOSS):

\$(2.0)B

(2021: \$17.9B)

ADJUSTED FREE CASH FLOW²:

\$9.1B

(2021: \$4.6B)

ADJUSTED EBIT²:

\$10.4B

(2021: \$10.0B)

ADJUSTED EARNINGS PER SHARE²:

\$1.88

(2021: \$1.59)

“Our product portfolio has never been stronger – with new vehicles that are hits with customers. We are making highly strategic capital allocation decisions to drive growth, strengthen our competitive position, and produce returns above our cost of capital.”

JOHN LAWLER, CHIEF FINANCIAL OFFICER

SUSTAINABLE FINANCING

Ford introduced our Sustainable Financing Framework in 2021 to support the design, development and manufacture of our electric vehicles (EVs) and create positive social and environmental impacts in the transition to EVs and carbon neutrality.

In conjunction with the release of the framework, Ford issued an inaugural \$2.5 billion Green Bond. A majority of the proceeds of the Green Bond were allocated to clean transportation projects and the manufacture of Ford’s electric vehicle portfolio. The remainder of the proceeds have been allocated to development activities that will benefit our entire future EV lineup.

A second Green Bond of \$1.75 billion was issued in August 2022, proceeds from which Ford plans to allocate by the end of 2023.

We incorporated three sustainability-linked key performance indicators (KPIs) into our revolving and 364-day credit facilities. The KPIs are tied to global manufacturing emissions, manufacturing renewable energy and Scope 3 passenger vehicle emissions in Europe.

▶ [READ MORE IN THE SUSTAINABLE FINANCING REPORT](#)

↓
 Ford won the Green Debt Instruments Category at the 7th Annual Climate Bonds Awards in 2022 and was recognized for issuing the largest-ever Green Bond from a non-financial U.S. corporation.

\$2.50_B

INAUGURAL GREEN BOND
 ISSUED NOVEMBER 2021

\$1.75_B

SECOND GREEN BOND
 ISSUED AUGUST 2022



Products and Services:

The Road to Progress

Ford is working to make our vehicles more sustainable, accessible and affordable, while enriching the consumer experience and creating value for our stakeholders. We will not stop reimagining how EVs and the batteries that power them are designed, manufactured and recycled – at scale. In addition to EVs, a full range of fuel efficient internal combustion, plug-in hybrid and traditional hybrid engine vehicles give our customers lower emissions options as we build the path toward carbon neutral transportation.



LEADING THE EV REVOLUTION

Ford has an ambitious plan to lead the electric vehicle revolution. Around the world, we are dedicating more than \$50 billion from 2022 through 2026 in electric vehicles and batteries. Ford is all-in and moving fast to meet the demand for EVs in leading markets like the United States, Europe and China, and around the globe.

Ford joined the RouteZero initiative in 2021, and has pledged to work toward 100% zero-emission cars and vans globally by 2040, and in leading markets no later than 2035. This pledge aligns with our goals of 50% of our global vehicle mix fully electric by 2030 and all new vehicles in Europe zero emission by 2035.

Electrifying our Iconic Vehicles

The demand for EVs is real – and growing. Ford has a compelling electric presence across three key vehicle categories, bringing us closer to a carbon neutral future.

The April 2022 launch of the all-new, electric F-150 Lightning, the smartest, most innovative F-150 that Ford has ever built, represents a milestone in America's shift to EVs.

The E-Transit, the electric version of America's best-selling commercial van, was the top-selling electric van in the U.S. in 2022. Europe also announced the all-new E-Transit Custom, an all-electric version of the region's best-selling van, with production starting in late 2023.

The Mustang Mach-E remains extremely popular, notching recognition as the second-best selling electric SUV in America with more than 150,000 vehicles produced.

Investing in EV Manufacturing and Creating Jobs

Our new EV lineup has generated unprecedented demand, and we are putting a manufacturing system in place to quickly scale our EV and battery manufacturing and capacity.

BlueOval City in West Tennessee will be the largest, most advanced auto production complex in our history. The assembly plant is designed to be carbon neutral and send zero waste to landfill. The twin battery plants at BlueOval SK Battery Park in Kentucky are intended to supply Ford's North American assembly plants with locally assembled batteries for powering future Ford and Lincoln EVs. Together the plants will create 11,000 jobs.

In Marshall, Michigan, we are investing \$3.5 billion to build the country's first automaker-backed lithium iron phosphate battery plant, offering customers a second battery technology within Ford's EV lineup. BlueOval Battery Park Michigan will employ approximately 2,500 people when production begins in 2026.

We are also investing in plants in Germany, Spain and the U.K., where Ford is making important strides towards an electric future in Europe. And, we are working with our suppliers to build an EV supply chain that upholds our commitment to sustainability and human rights.

Expanding Battery Manufacturing and Capacity

Battery capacity and component sourcing is a key element of our EV strategy. We have added battery chemistries and secured contracts delivering 60 gigawatt hours of annual battery capacity – 100% of the annual battery cell capacity needed – to deliver a targeted global 600,000 EV run rate by late 2023. We have now sourced approximately 70% of the battery cell capacity we need to support an annual global run rate of more than 2 million EVs by late 2026.

Ford Ion Park, our global battery center in southeast Michigan, is on target to open in Spring 2023. Ford Ion Park will accelerate research and development of battery and battery cell technology.

OUR SUSTAINABILITY ASPIRATIONS

Access

Climate Change

\$50B+

DEDICATED AROUND THE WORLD TO ELECTRIC VEHICLES AND BATTERIES FROM 2022 THROUGH 2026

MAKING EVS MORE ACCESSIBLE AND AFFORDABLE

Our relationship with our customers is at the heart of our business and our transition to electric vehicles – from designing the in-vehicle experience, to our FordPass app, to expanding the BlueOval™ Charge Network.

We are working to make EVs more accessible to millions, addressing barriers to entry such as cost and charging, and improving the EV customer purchase experience.

We are offering equitable and non-discriminatory financing for products that serve underserved borrowers, ensuring EV charging is accessible in low-income and disadvantaged communities, developing new mobility solutions to connect rural and urban areas, diversifying our supplier, dealer and investor network and helping to develop businesses owned by women, minorities, persons with disabilities and veterans.

Charging Network

Our BlueOval Charge Network is the largest public charging network for EVs in North America³. The network is composed of over 26,000 charging locations with over 84,000 plugs and growing. Using the FordPass app or the SYNC 4A navigation, drivers can see which charging stations are available, the cost to charge (many are free) and save their favorites.

In Europe, the BlueOval Charge Network provides customers with access to a network of over 450,000 plugs. Retail customers can find charging stations and pay for charging using FordPass or their BlueOval Charging Card. Larger fleets can access Ford Charge Assist via SYNC in both Europe and North America.

Software Defined Vehicles

Ford aspires to drive human progress by providing mobility and accessibility for all. We leverage cutting-edge technology and a legacy of experience to make movement more accessible and more connected.

Software is one of the most defining changes for the auto industry. New IT and innovative solutions are making Ford vehicles even smarter and more connected. We are proud of our always-on relationships with our customers and continue to deliver ever-improving experiences through software-defined vehicles.

Ford Power-Up over-the-air software updates are transforming the ownership experience by regularly adding new software features and other improvements that keep making Ford vehicles better over time.



26k+

CHARGING LOCATIONS IN THE NORTH AMERICAN BLUEOVAL CHARGE NETWORK

Customers can pre-schedule software updates at convenient times – making life easier for owners with busy schedules.

Power-Up software updates also transform connected vehicle learnings into continuous quality improvements as they speed the detection and resolution of quality issues, which will help raise customer satisfaction and lower warranty costs.

Improving Access for Everyone

We want all our customers to have access to the electric vehicle revolution. The Ford Accessibility Program offers a variety of human-centered accessible tech and features in our base vehicles. It also offers, to those that need it, access to full conversions in order to adapt vehicles to their needs and make it easier for people with disabilities to get into the driver's seat.



1,000+

MOBILE SERVICE VANS DEPLOYED AT THE END OF 2022

FORD PRO

Ford Pro is dedicated to accelerating productivity and sustainability for commercial and government customers around the world. Ford Pro integrates a suite of software, charging, service and financing with gas, diesel, hybrid and electric vehicles – making it easy for businesses and municipalities of all sizes to connect and go electric while managing their existing vehicles during the transition.

In 2022, Ford Pro launched an all-new suite of chargers for commercial home and depot charging to offer a charger solution for commercial customers of all sizes and budgets.

We introduced the Ford Pro Fleet Management Suite with software that digitizes tasks such as driver assignments, inventory, recalls, fuel receipts, maintenance schedules and inspections.

In North America and Europe, we had over 1,000 mobile service vans deployed at the end of 2022, and we plan to accelerate the expansion of the fleet throughout 2023 and beyond.

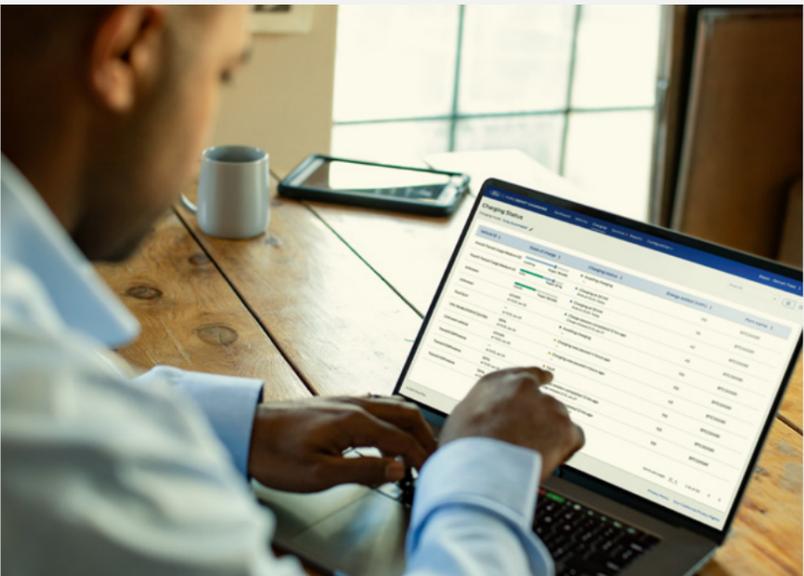


REDUCING CO₂ EMISSIONS FROM DELIVERIES

Forty traders at Billingsgate Market, in London, took part in a sustainable deliveries pilot – a partnership between the City of London Corporation, DHL Supply Chain and Ford Pro. As of late 2022, the pilot has resulted in an estimated 37% reduction in CO₂ emissions from deliveries with 949 fewer vehicle journeys on central London’s congested roads, helping reduce air pollution. “We are delighted with the results of the trial, which support our approach to not only ‘burn clean’ through the use of sustainable alternative fuels and drivetrains, but ‘burn less’ by reducing the energy and fuel consumption of our operations,” said Tutu Akinkoye, GoGreen Lead for DHL Supply Chain UK and Ireland.

37%

REDUCTION IN CO₂ EMISSIONS FROM DELIVERIES WITH 949 FEWER VEHICLE JOURNEYS





ENGAGING COMMUNITIES WITH MOBILITY SOLUTIONS

Through the City:One program, Ford is bringing community-led mobility solutions to areas like Miami-Dade County, Greater Memphis and Detroit. In Miami-Dade, Ford and the City:One team collaborated with local residents to integrate them into the deployment and scaling of new mobility solutions.

Our work in the Greater Memphis area will engage local entrepreneurs in pilot projects designed to increase access to sustainable, electrified mobility options and connect urban and rural communities through mobility in the region.

And in Detroit, Ford and City:One are working on a project focused on educating drivers on how autonomous driving systems can support them. Over the last year, City:One hosted a series of community events, surveys and focus groups to better understand what role advanced driver assistance systems play in two neighborhoods in the City of Detroit.

Programs like these help residents understand and engage with new mobility solutions.



PRE-COLLISION ASSIST WITH AEB

In an increasingly crowded and distracted world, we can all use more confidence on the road. Ford's Automatic Emergency Brake (AEB) Pre-Collision Assist feature⁴ scans the road ahead and can alert drivers to potential collisions with vehicles or pedestrians directly in the driver's path⁵. If the driver's response is not sufficient, AEB will increase brake-assist sensitivity to provide full responsiveness when the driver does brake. If an impact becomes imminent and the driver does not take corrective action, brakes can apply automatically.

ICE AND HYBRID ADVANCEMENTS

As we expand our EVs, we are ensuring that our internal combustion engine (ICE) powertrains continue to provide a desirable balance of performance, fuel economy and durability while meeting increasingly stringent emissions criteria and fuel consumption requirements. Our proven EcoBoost engines are deployed across nearly 100% of the portfolio, and combine engine downsizing, turbocharging, direct fuel injection and twin independent variable cam timing to improve fuel economy without compromising performance, while modern diesel engines offer reduced carbon dioxide and nitrogen oxide emissions and fuel consumption.

PUTTING POWER BACK INTO THE GRID

The all-electric F-150 Lightning pickup is the first pickup in the U.S. that enhances energy independence for its owners. Thanks to bidirectional power technology, F-150 Lightning customers can use their trucks to power their homes when the grid goes dark.

Ford's Intelligent Backup Power works with a Home Integration System to automatically activate if the grid goes down and revert back to utility power once power is restored. Based on an average U.S. home at 30 kilowatt-hours of use per day, the F-150 Lightning with extended-range battery provides full home power for up to three days, or as long as 10 days when rationing.

Building on the technology used for Intelligent Backup Power, Ford is piloting vehicle to grid (V2G) technology with the F-150 Lightning. V2G will allow EV owners to transfer power back into the grid. Not only will this technology enable more efficient battery usage, but the ability to sell power back into the grid will allow EV owners to monetize the power-storage attributes of their EVs. V2G pilots and projects are currently underway in two states.

↙ **The all-electric F-150 Lightning pickup is the first pickup in the U.S. that enhances energy independence for its owners.**



FEATURE:

Saving Emissions with EV Pickups

A University of Michigan and Ford Motor Company study evaluated the savings in greenhouse gas emissions EV pickup trucks can provide relative to gasoline-powered pickup trucks. Researchers found that sedan, SUV, and pickup truck battery electric vehicles have approximately 64% lower cradle-to-grave life cycle greenhouse gas emissions than internal combustion engine vehicles on average across the U.S.

Replacing an internal combustion engine pickup with a battery-electric pickup results in a reduction of 74 metric tons of carbon dioxide equivalent over the lifetime of the vehicle on average. Researchers also found that while battery electric vehicles currently have larger greenhouse gas emissions in their manufacturing than internal combustion engine vehicles, due to battery production, this impact is offset by savings in their operation.



REMOTE ASSISTANCE TECHNOLOGY HELPS SPEED REPAIRS

Ford dealerships across the country now have access to state-of-the-art remote viewing technology allowing them to receive real-time assistance for customer repairs from team members at the Ford Technical Assistance Center in Dearborn. The technology uses remote assistance software to allow the technical assistance team to see what the dealership tech is seeing in real time. “The See What I See (SWIS) software definitely helps get our customers back on the road more quickly. We have had some wiring situations that we were able to fix in a few hours versus a few days using SWIS, and that is really valuable,” says Susan Padro, Service Manager at Mullinax Ford in Apopka, Florida.

ROBOT CHARGING TO HELP DISABLED DRIVERS

Ease of EV charging is a key purchase consideration for drivers with disabilities.⁶ Ford is developing a prototype smartphone-operated robot charging station that could make their transition to EVs smoother. The technology could enable the driver to stay in the vehicle while charging, or to leave the vehicle while the robot does all the work. In the future, the robot charging station could be installed at accessible parking spaces, in car parks or at private homes. Ford is testing the robot charging station as part of a research project to develop hands-free charging solutions for EVs and fully automatic charging for autonomous vehicles.



Environment:

The Road to a Healthier Planet



60.6%

OF ELECTRICITY CONSUMED
IN FORD'S GLOBAL FACILITIES
WAS CARBON-FREE

Everyone should experience the benefits of clean air, clean water and clean transportation. As a leader in the electric vehicle revolution, Ford is resolved to preserve or create the conditions our planet needs to thrive. Our investments in clean transportation are fueling the transition to carbon neutrality and achieving a positive impact on people and the planet.

FORD'S PATH TO CARBON NEUTRALITY

Our environmental goal is simple, bold and necessary as we address the climate issues that imperil our planet. We aim to reach carbon neutrality no later than 2050 globally – and in Europe by 2035.

Our goal encompasses our entire impact on the planet. It is backed by science-based targets and focuses on the three areas that together account for approximately 95% of our carbon dioxide emissions: our vehicles, our operations and our supply chain.

Our Climate Strategy

The electrification of our vehicles is key to achieving our carbon neutrality goal. EVs are expected to comprise half our global sales volume by 2030. We have reduced Scope 3 emissions from the use of sold products by 21% since 2019.

Using energy more efficiently, procuring power from carbon-free sources and reducing GHG emissions from our operations all play a role in reaching our carbon neutral future. These strategies are working. We have surpassed our commitment to reduce emissions from our global manufacturing (Scope 1 and 2) by 18% by 2023 from a 2017 base year, achieving a 40% reduction by the end of 2022.

Our suppliers also play a role. Our [Supplier Code of Conduct](#) requires Ford suppliers to establish science-based GHG reduction targets, action plans and transparent reporting mechanisms aligned with the Paris Agreement to minimize their impact on climate change.

Carbon Free Energy

Ford's energy future is carbon-free. We are working toward sourcing 100% carbon-free electricity for our global manufacturing by 2035 through a mix of wind, solar, nuclear, geothermal, biomass and hydro.



MANUFACTURE 2030

Ford is among the first American automakers to join Manufacture 2030 as a partner, and the first U.S. automaker to have its global supply chain added to their platform database. This online tool, along with Climate Action Managers, will provide support for our suppliers with measurement, management and reduction of carbon emissions, water usage and waste as Ford strives to reach carbon neutrality globally.

Advances in Internal Combustion Engine Technologies

We recognize that EVs are not the right choice for all customers. We will continue to provide our customers with efficient, low-carbon alternatives during the transition to carbon neutrality, as we research and develop alternative powertrains and fuel options for our vehicles on the path to a zero-emissions transportation future.

AIR QUALITY

Attaining zero emissions from our vehicles and facilities will reduce air pollution, help protect people's health and combat climate change.

As air quality standards become increasingly stringent and plans to implement 100% zero-emission vehicle sales targets become more prevalent, we continue our work to reduce emissions of air pollutants emitted by internal combustion engine vehicles. We are proud to meet or exceed all global criteria emission standards as they are introduced.

OUR SUSTAINABILITY ASPIRATIONS



Climate Change



Energy



Air



Materials



Water



Waste



“Being held accountable to our sustainability commitments is vital to our future success, and working with leading organizations like CDP to showcase and objectively report that progress to all our stakeholders is critical.”

CYNTHIA WILLIAMS, GLOBAL DIRECTOR,
SUSTAINABILITY, HOMOLOGATION AND COMPLIANCE



RESTORING STREAM WATERS IN TENNESSEE

Ford and the University of Tennessee (UT) have entered into a stream mitigation and restoration agreement that will restore the stream waters flowing through the University’s Lone Oaks Farm. UT Extension is developing Lone Oaks, a 1,200-acre facility, into a world-class 4-H and STEM Education Center close to BlueOval City. Not only will the project restore and protect some 20,000 feet of streams and wetlands, but it will also create educational opportunities that will inspire and benefit future generations, and support Ford’s purpose of helping to build a better world.

CONSERVING AND REUSING WATER

Our water strategy aims to continue Ford’s position as a leader in making zero water withdrawals for manufacturing processes in order to support freshwater availability in local communities. Since 2019, we have achieved a 21.7% reduction in absolute freshwater use and we have saved 186.3 billion gallons of water since 2000.

Reducing Waste and Recycling

We aspire to reach true zero waste to landfill and to eliminate single-use plastics by 2030 across our global operations. Reducing waste has a dual benefit. Not only does it reduce our impact on the planet, but it also optimizes efficiency in our resource-intensive industry. By reducing or recycling generated waste, we can avoid the landfill, reduce GHG emissions and generate an additional supply of valuable resources.



RECYCLED BATTERIES ARE FUNDING WATERSHED RESTORATION

Ford views batteries of end-of-life vehicles as a crucial part of our supply chain, and we are committed to increasing battery recycling over time.

We have partnered with the dealer network, Motolite Ramcar Battery and Philippine Business for Social Progress (PBSP) to advocate for the proper disposal and recycling of used lead acid batteries. Through this partnership, Motolite is donating to PBSP an amount for every battery collected from each dealer group. The fund, which is augmented by a \$25,000 grant from Ford, will be used for the rehabilitation of the Marikina and Buhisan watersheds in the Philippines. Local partners began planting in late 2022. Ford and dealer employees will join the tree planting effort in July 2023.



CONTINUOUS PROGRESS ON CDP A LIST

When it comes to achieving environmental progress, our work is never done, but it is promising to see our efforts recognized by leading sustainability organizations.

In an intensive, global evaluation of more than 18,700 global companies, Ford’s efforts in the areas of climate and water stewardship received a coveted ‘A’ grade from the CDP, an organization which holds the largest environmental database in the world. Following a detailed reporting and evaluation process, Ford was among only 330 companies that made it onto one of this year’s ‘A’ lists, and among even fewer who received an ‘A’ score across multiple categories.





CLOSING THE LOOP IN ALUMINUM RECYCLING

As the largest automotive aluminum recycler in the world, our closed loop recycling system maximizes aluminum recycling in our plants and minimizes the need for primary metal.

Making recycled aluminum only takes around 5% of the energy needed to make new aluminum, according to the Aluminum Association, and minimizes the need for primary metal.

We currently recycle up to 20 million pounds of aluminum each month in facilities in Michigan, Kentucky and New York. This represents 20-30% of our aluminum sheet coil purchases.



20M

**POUNDS OF ALUMINUM
ABLE TO BE RECYCLED
MONTHLY**

CIRCULAR ECONOMY

Increasing the sustainability of plastics in our vehicles' design enables us to reduce landfill waste and use fewer natural resources, having a beneficial impact on the environment. We aspire to only use recycled or renewable plastics in our vehicles' design.

Through initiatives like the transformation of recycled plastic bottles into vehicle parts we are helping to play a major role in promoting environmentally friendly auto parts.

Renewable, plant-based materials are also part of our sustainable materials strategy. Ford is a leader in this space, using nine plant-based materials in current and past vehicle production.

LOW CARBON STEEL AND ALUMINUM

As part of the First Movers Coalition, we are targeting the environmental impact of our supply chain by adopting green steel and aluminum. Ford has pledged that at least 10% of total primary aluminum and steel purchased (per year, by volume) will have near-zero carbon emissions by 2030.

ALIGNING POLICIES WITH ACTION AND STAKEHOLDER ADVOCACY

Ford is proud to be one of the first U.S. automakers to align with the international community to limit global warming as part of the Paris Climate Agreement. We also support the authority of California and other states to protect people's health and combat climate change by establishing and enforcing air pollution standards and zero emission vehicle requirements for new vehicles within their state.

We have committed to the UN's Business Ambition Pledge for 1.5°C, and to the New Deal for Europe initiative to devise a comprehensive Sustainable Europe 2030 Strategy.

Addressing climate change requires collaboration with multiple partners and organizations in the public and private sectors to drive progress. Our newly created stakeholder advocacy program, Blue Table Forum, is creating and building a trusted community of organizational and institutional stakeholders from a broad array of NGOs, nonprofits and academic institutions.

FEATURE

Carbon-free Electricity in Michigan

Through a new agreement with DTE Energy, Ford will soon be able to attribute all our electricity supply in Michigan to clean energy, a major step toward Ford’s goal to reach carbon neutrality. By 2025, we expect every Ford vehicle manufactured in Michigan to be assembled with the equivalent of 100% carbon-free electricity, 10 years earlier than Ford’s global goal. Ford’s purchase of carbon-free electricity will avoid as much as 600,000 metric tons of carbon dioxide equivalent emissions annually, improve the local environment and add resiliency to the local grid.



STANDING WITH CALIFORNIA TO COMBAT CLIMATE CHANGE

The California Air Resources Board (CARB) voted in 2022 to rapidly scale down light-duty passenger car, truck and SUV emissions starting with the 2026 model year. Under the new guidelines, by 2035 all new passenger cars, trucks and SUVs sold in California will have zero emissions. Ford supports California’s actions to strengthen vehicle emission standards and expects this landmark standard to be adopted by other U.S. states.

“At Ford, combating climate change is a strategic priority. We are committed to building a carbon neutral transportation future, backed by our own investments of more than \$50 billion from 2022 through 2026 in EVs and batteries. The CARB Advanced Clean Cars II rule is a landmark standard that will define clean transportation and set an example for the United States.”

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



CHARGING WITH PURPOSE

Ford’s sustainable charging program allows plug-in electric vehicle owners in California to opt-in to carbon-neutral charging at home.

Ford is participating in the California Air Resource Board Low Carbon Fuel Standard to offer customers a new way to help reduce greenhouse gas emissions that contribute to climate change by matching electricity used to charge plug-in electric vehicles at home with 100% local renewable energy. Any California customer with electric or plug-in hybrid Ford vehicles can opt-in to the free program quickly and easily using the FordPass app.



People: The Road to a More Inclusive and Equitable Society



In the transition to a climate-resilient future, we will drive innovation and sustainable growth, support our workforce and local communities, and ensure that everything we make – or that others make for us – is produced lawfully and with the highest regard for human rights. We continue our work toward gender and racial equality and to protect the rights of all people. We support a just transition and are working toward a more equitable transition to EVs.

HUMAN CAPITAL AND DIVERSITY, EQUITY AND INCLUSION

Ford is dedicated to creating a culture of inclusion where our team members have the sense that they are valued, appreciated, respected and can bring their true selves to work – a culture that empowers our people to transform our business.

Our efforts are guided by our purpose to help build a better world, where every person is free to move and pursue their dreams.

Attracting and Keeping Talent

Great people will come to Ford – and stay with the company – when they feel valued and included, and have the tools to advance their careers and make an impact. We leverage inclusive hiring practices, ongoing learning and development programs, flexible work options and enhanced family benefits to make Ford an employer of choice.

As we seek the best and the brightest from all over the globe, many of our workforce development objectives and initiatives are focused on reaching underserved communities and helping underserved groups find pathways to Ford. This is especially important as we consider the transition to EVs.



RECOGNITION FOR GENDER EQUALITY

For the fifth consecutive year, Ford has been recognized as a leader by Bloomberg Gender-Equality Index (GEI) for continuous progress in gender representation amongst other categories impacting women. We are proud that by taking focused actions, we improved our leadership and talent category score in GEI by over 20% from 2021.



OUR SUSTAINABILITY ASPIRATIONS





Supporting a Just Transition to EVs

As we take lead of the electric vehicle revolution, labor and employment markets will continue to require new skills, new ideas and new habits of mind.

Ford supports a just transition by preparing our workforce and local communities for the transition to EVs. Ford is committed to providing hourly and salaried employees the opportunity to upskill and reskill with supportive training programs both internally and with the help of community partners. We are committed to the principles of lifelong learning, embracing a growth mindset and career development.

► [READ MORE ABOUT JUST TRANSITION IN THE HUMAN RIGHTS PROGRESS REPORT](#)



RESKILLING OUR WORKFORCE

As the transition from ICE to EVs accelerated, it was quickly recognized that the skills of our ICE research and advanced engineering workforce were directly applicable to the new EV system design challenges. Engineers who previously developed state-of-the-art ICE combustion and emissions systems are now applying those same modeling and experimental testing skill sets to design industry-leading EV battery safety systems, optimize fuel cell system components and improve eMachine manufacturing processes.

ENSURING THE HEALTH, SAFETY AND WELLBEING OF OUR EMPLOYEES

We are dedicated to ensuring the physical safety, mental health and wellbeing of our employees, which in turn has a direct impact on their happiness, comfort and morale.

We remain committed to advancing a culture of wellbeing, which encompasses the financial, social, mental, emotional, physical and professional needs of our employees. We understand that in order to stay Ford Tough it is imperative that we provide our employees with the benefits, resources and support that addresses their lives both at and away from work.

RESPECTING HUMAN RIGHTS

Ford is committed to respecting human rights in everything we do. It is a core part of our purpose.

As we design and manufacture solutions, we respect human rights and the environment over the entire life cycle of our products and services, from the origin of the raw materials to the end-of-life. Our commitment to respecting human rights guides our strategy and actions. Our focus on human rights begins within our company and extends to our suppliers, and by extension throughout the value chain.

We are guided by our [We are Committed to Protecting Human Rights and the Environment policy](#). Our [Supplier Code of Conduct](#) requires our suppliers to respect and protect human rights in their activities.



EXTERNAL RECOGNITION



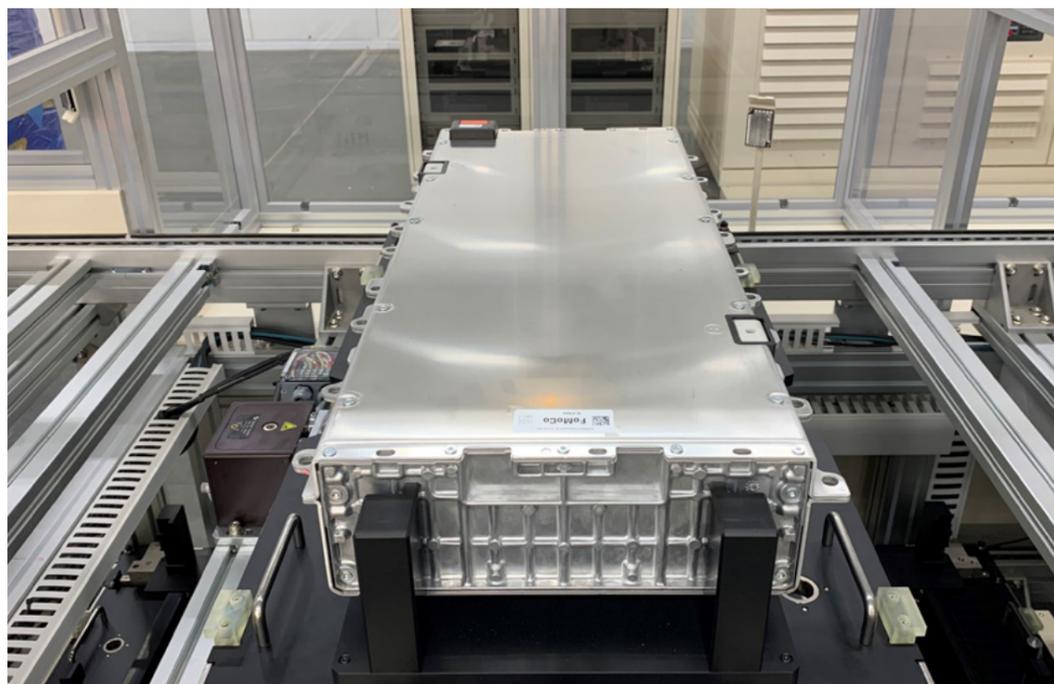
We are proud of the external recognition we have received for our commitment to human rights. Ford has been recognized as the top automotive company in human rights by the World Benchmarking Alliance Corporate Human Rights Benchmark (CHRB) for the second assessment in a row. In 2022, Ford also came first in the human rights category in 3BL Media's Best Corporate Citizen listing.

Responsible Sourcing

With around 1,600 Tier 1 production suppliers providing vehicle parts composed of nearly 1,000 different materials, we recognize the complexity of our supply chain. Nonetheless we remain committed to using materials in our vehicles that are safe and responsibly sourced.

We are using our purchasing power to not only fuel our business needs but also protect communities and the environment on which they depend. Our goal is to understand the origins of our raw materials and ensure they are sourced responsibly, upholding our commitment to human rights, compliance with international standards and environmental and community impact.

[▶ READ MORE ABOUT HUMAN RIGHTS AND RESPONSIBLY SOURCED MATERIALS IN THE HUMAN RIGHTS PROGRESS REPORT](#)



ASSESSING AND AUDITING OUR EV SUPPLY CHAIN

To ensure that our raw materials and battery processing suppliers meet our ESG expectations, we are conducting due diligence throughout the entire sourcing process. These expectations are aligned with our [We Are Committed to Protecting Human Rights and the Environment policy](#) and [Supplier Code of Conduct](#).

Since 2021, we have been conducting supply chain mapping and auditing to understand the sources of the cobalt, nickel and lithium used in our EVs. This work continues with expanded scope to include plug-in hybrid electric vehicle (PHEV) supply chains and more audits. We continue to partner with RCS Global to conduct third-party audits on key battery materials down to the mine site using The Initiative for Responsible Mining Assurance (IRMA) Critical Requirements and the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance.



PRODUCT SAFETY AND QUALITY

Product Safety

We are leveraging innovative technologies to develop and deliver vehicles with high levels of safety that meet or exceed applicable laws and regulations.

Across our product portfolio, our vehicles incorporate state-of-the-art passive and active safety features, as well as driver assist technology to prevent or mitigate accidents.

We continue to make advancements in our Active Safety Technologies and Co-Pilot 360 to help keep drivers in command from the driveway to the highway. BlueCruise 1.2⁷ and Lincoln ActiveGlide 1.2 offer new features and system updates that make hands-free highway driving even better.

Ford vehicles continue to achieve high marks and recognition in public and private crash testing assessments. Twenty of our vehicles in the U.S., Europe, Australia and New Zealand received New Car Assessment Programs' (NCAPs) 5-star ratings in 2022.



Quality

Our mission is to make product quality one of the principal reasons why customers buy Ford the first time – and every time.

We are increasing our use of advanced data analytics and machine learning to help with the earlier detection of potential issues across our vehicle portfolio and in the field.

Our 2022 Ford Quality Net Promoter Score showed that Ford is delivering improvements at higher time in service.

We also received two J.D. Power Initial Quality Study awards for Ford Ranger (Midsize Pickup) and Lincoln Nautilus (Midsize Premium SUV).



\$2.2B

INVESTED IN COMMUNITIES
SINCE 1949

1.7B

VOLUNTEER HOURS
LOGGED SINCE 2005
BY FORD EMPLOYEES

HELPING CREATE JUST, THRIVING COMMUNITIES

Our philanthropic arm, Ford Motor Company Fund, has been working shoulder-to-shoulder with communities globally to help build a better world for more than seven decades. Ford Fund partners with local leaders and nonprofits to understand and help meet unique needs in under-resourced and underrepresented communities.

The Ford Fund co-creates and invests in partnerships and programs across three impact areas: essential services, education for the future of work, and entrepreneurship.

In 2022, Ford and Ford Fund invested more than \$64.3 million in charitable contributions to help strengthen communities and build a better world. Since 1949, we have invested more than \$2.2 billion in community-focused initiatives around the globe.



HUMANITARIAN RESPONSE

When disaster strikes, Ford is ready with humanitarian aid. Whether it is a natural disaster or man-made crisis, Ford has donated funds, equipment and services to help ease people's suffering and give them support to overcome the challenges they face. In 2022, Ford made donations to help communities respond to a mass shooting in Buffalo, NY, and flooding in Kentucky, as well as much-needed humanitarian aid assistance to Ukraine. In addition to monetary donations, Ford donated a fleet of 50 Ford Rangers and loaned another 25 vehicles to organizations supporting refugees and the movement of goods and people and their rescuers during the crisis.



CREATING OPPORTUNITIES ON A GLOBAL SCALE

In addition to work by the Ford Fund, Ford employees are committed to creating opportunities for their communities around the world.

Ford Business Solutions India is advancing a sustainable Corporate Social Responsibility model through initiatives targeting education, health and safety, inclusion and community development that impact thousands of people. Ford Thailand collaborated with Thai-Austrian (Sattahip) Technical College in an apprenticeship program called "Building for Thailand's Future" to develop the skills and technical capability of the mechatronics workforce in Thailand. In China, Conservation and Environmental Grants has supported 506 environmental groups or organizations and provided grants of 32.6 million Chinese yuan since it was founded in 2000.

FEATURE:

Training and Mentoring Future Generations of Ford

Mentoring and training programs are introducing students to automotive careers – and helping dealers keep the talent pipeline full. Ford’s Sponsor Our Students program works with dealers to offer opportunities for students interested in meaningful careers as automotive technicians. High school and community college students have the opportunity to get real-world experience in understanding and diagnosing new vehicle technologies and systems at their sponsoring dealership, as well as the support of a mentor. More than 1,000 Ford and Lincoln dealers have enrolled since the program’s start in 2022 and have committed to sponsoring over 3,600 students.

1,000+
 FORD AND LINCOLN DEALERS
 HAVE ENROLLED SINCE THE
 PROGRAM’S START IN 2022



FORD ATLANTA RESEARCH AND INNOVATION CENTER (FARIC)

As Ford undergoes the most profound transformation in our history, we remain committed to developing a workforce that is inclusive of everyone in the communities that we serve. For Ford, this includes attracting and retaining historically underrepresented talent, especially in the software engineering and high technology fields.

Aside from serving as an innovation hub and delivering software solutions, the team at our new Ford Atlanta Research & Innovation Center (FARIC) will focus on increasing Black, Hispanic and female representation in software engineering and high technology careers. FARIC is partnering with targeted programs at historically Black colleges and universities (HBCUs) and Hispanic serving institutions (HSIs), as well as creating flexible, non-traditional career pathways for people interested in pursuing software and high-tech careers.

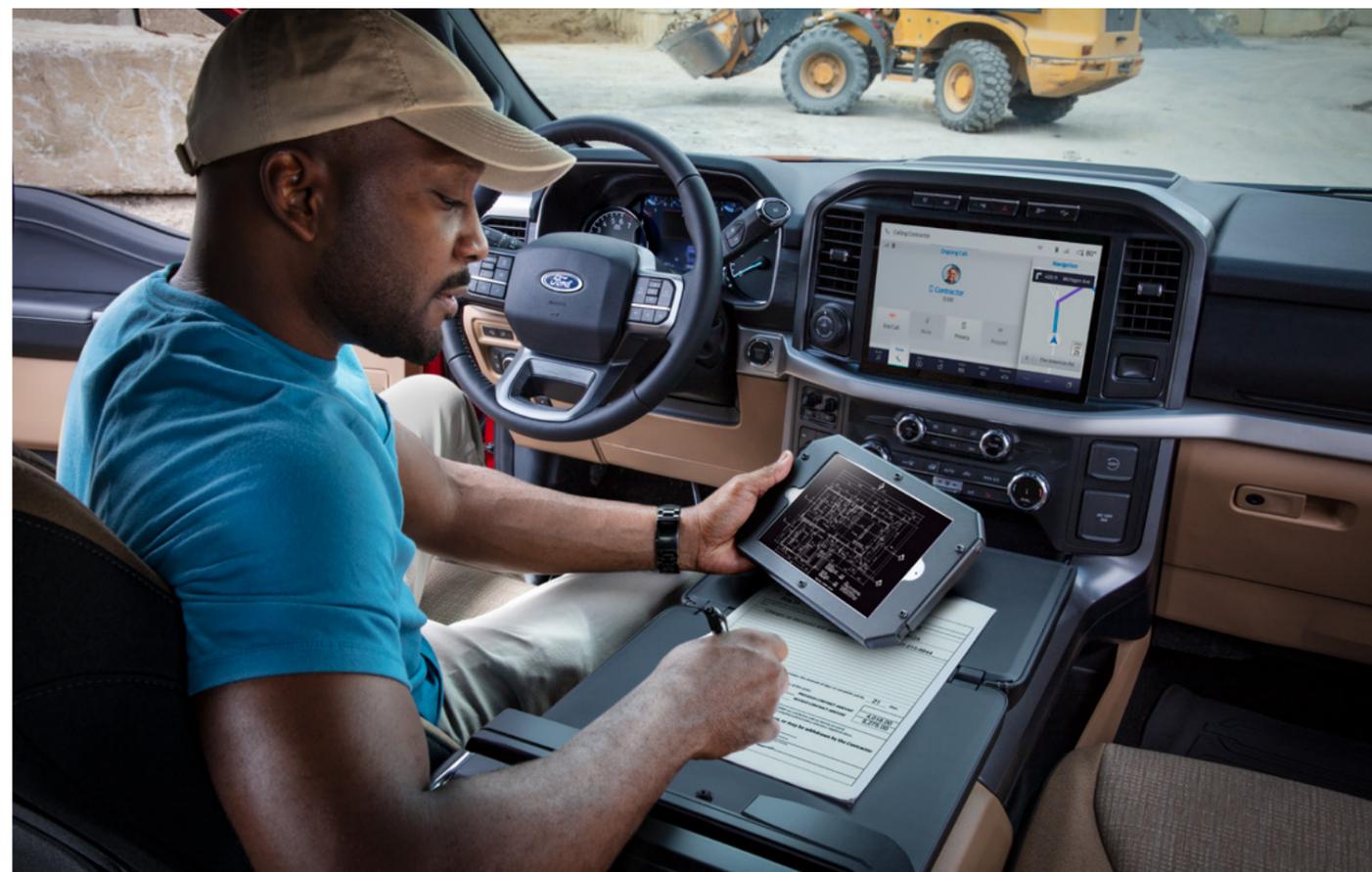


FORD MIDDLE EAST WARRIORS IN PINK

To raise breast cancer awareness, Ford Middle East held a Warrior in Pink campaign featuring a Q&A on Instagram video, moderated by Mais Mohammad, a breast cancer survivor, who shares her stories with the community openly. The video discussed the importance of early detection of breast cancer along with the best ways for regular testing and self-checkup. Mais was joined by her oncologist who supported her throughout her journey. The video resonated with the audience with 10,000 views and 100% positive sentiment.

Governance:

The Road to Sustainable Growth



Good governance is about accountability, transparency, fairness and responsibility. With that framework in place, we are well positioned to respond to the changing global business environment and adjust our strategies as needed. Operating in concert with Ford+, our governance framework positions us to create value for our stakeholders as we work to build a better world.

TRANSPARENCY, BUSINESS ETHICS AND INTEGRITY

Ford is proud to be recognized around the world as a leader in corporate ethics and integrity. We strive to act with transparency, integrity and honesty. This is the foundation of the trust we build with our employees, our customers and suppliers, our shareholders and our communities.

Our Compliance, Ethics and Integrity Office provides the training and communications tools to ensure that our people are equipped to comply with legal obligations and policies that maintain the highest levels of integrity.

Clear and open communication is a fundamental component of our corporate governance. From monthly reports to social media accounts, we work to maintain open communications channels with our employees, our customers, our shareholders and our stakeholders.

Reporting Violations

Our robust and comprehensive compliance program is designed to ensure that people can confidentially report known or potential violations of the law or of our policies. Team members can report violations via multiple channels, some of which allow for anonymous reporting. External stakeholders may report violations by emailing SpeakUp@ford.com. For human rights and environmental issues involving suppliers, Ford has an external site to report supplier grievances. Employees of our suppliers can also provide feedback and file grievances directly via the RBA Worker Voice app.

Data Protection and Privacy

Data privacy is a key component of our software-driven businesses and the Ford+ plan. Unsurprisingly, data privacy, which focuses on personal information and how it is collected, stored, used, managed and shared, has become increasingly important to our customers, our employees and our business.

We are shifting our company culture to meet evolving customer needs and grow our business using a data governance framework focused on responsible data handling, use and choice, where appropriate.

GOVERNMENT REGULATIONS, POLICY AND ENGAGEMENT

It is imperative that Ford engage with governments and policy makers to ensure that our positions are represented and our actions are recognized.

Ford participates openly and transparently in the political process to support policies on the local, state, national and international level that are economically, environmentally and socially sustainable for our company, our customers and their communities. We work with the United States Congress and the White House, as well as international governments, on issues including trade, fuel economy, autonomous vehicles, mobility and electric vehicles. We advocate for consistent policies at all levels to help us achieve our business, environmental and employment objectives.

Ford has established a policy framework to advance our business objectives while vindicating the company’s values. The framework leverages the entire policy team, which is comprised of the Environmental and Safety Compliance, Government Affairs, Office of General Counsel, Privacy, and Security teams. This structure empowers the teams to function as one.

[▶ READ MORE IN THE POLITICAL ENGAGEMENT REPORT](#)

Climate Change

We are committed to developing and promoting climate policies that benefit our customers, company, industry and society. Through active participation, we can encourage groups to align with our progressive climate change strategy, shape policy and drive the industry to change. We leverage our memberships in trade associations and coalitions to move these organizations toward positions more aligned with Ford’s views on climate. We will continue to make decisions based on what is best for our customers, our environment and our business.

**ACCOUNTABLE AND INCLUSIVE GOVERNANCE**

Our corporate governance processes serve as the framework for delivering on our sustainability strategy and integrating sustainability issues into our business decisions.

Solid principles of corporate governance are key to maintaining our investors’ and stakeholders’ trust in our company’s direction. Our corporate governance practices promote the effective functioning of our Board, its committees and the company.

BOARD’S ROLE IN RISK MANAGEMENT

The oversight responsibility of the Board of Directors and its committees is supported by company management and the risk management processes that are currently in place. Ford has extensive and effective risk management processes, relating specifically to compliance, reporting, operating and strategic risks.

▣ We are committed to developing and promoting climate policies that benefit our customers, company, industry and society. Through active participation, we can encourage groups to align with our progressive climate change strategy, shape policy and drive the industry to change.

Disclaimers

This report includes forward-looking statements. Forward-looking statements are based on expectations, forecasts and assumptions by Ford management and involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those stated. For a discussion of these risks, uncertainties and other factors please see “Item 1A. Risk Factors” in our [Annual Report on Form 10-K](#) for the year ended December 31, 2022, as updated by subsequent [Quarterly Reports on Form 10-Q](#) and [Current Reports on Form 8-K](#).

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1. Based on 2022 CY Motor Intelligence Data.
2. See [Form 10-K](#), pages 76-79 for definitions and reconciliations to GAAP (U.S. Generally Accepted Accounting Principles).
3. Based on original equipment manufacturers (OEM)/automotive manufacturers that sell all-electric vehicles and have active charging networks. Department of Energy data used.
4. Driver assist features are supplemental and do not replace the driver’s attention, judgment and need to control the vehicle. It does not replace safe driving. See Owner’s Manual for details and limitations.
5. Pre-Collision Assist with Automatic Emergency Braking (AEB) can detect pedestrians, but not in all conditions, and does not replace safe driving. See your Owner’s Manual for system limitations.
6. A [recent survey in the UK](#) showed that 61% of disabled drivers would consider buying an electric vehicle only if charging was made more accessible.
7. Available feature. Includes a three-year connected service plan with regular map updates after which purchase is required. Requires FordPass® App [Lincoln Way® App] and modem activation. ADAS features are supplemental and do not replace the driver’s attention, judgment and need to control the vehicle. Ford BlueCruise [Lincoln ActiveGlide™] is a hands-free highway driving feature. Only remove hands from the steering wheel when in a Hands-Free Blue Zone. Always watch the road and be prepared to resume control of the vehicle. It does not replace safe driving. See your Owner’s Manual for details and limitations.



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