On The Road to Better

Helping Build a Better World

Integrated Sustainability and Financial Report

2024

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On The Road to Better

Ford's purpose has always been bigger than building vehicles. We are driven by a desire to build a better world. One that is more equitable, inclusive, and sustainable. A world in which every person is free to move and pursue their dreams.

There is no easy formula for how to achieve these ambitious goals. It's a journey Ford has been on since our first sustainability report 25 years ago, requiring both courage and care, seeking to continually evolve while honoring what we have already built.

Today, we find ourselves at the intersection of Ford's unrivaled legacy — and its unbridled potential. Only Ford can claim this space. It's where we choose to compete, and where we know we will win.

In our following Integrated Report, we share the tremendous progress made in the past year. A lot has changed since our last report, but Ford has never shied away from change. Change demands innovation, problem-solving, and hard work: everything we do best. And with change comes opportunity.

We stand as excited for Ford's future as we are proud of its past. We are optimistic. Energized. Ready for whatever twists and turns await us on The Road to Better.

Read More

In A Letter from Bill Ford and Jim Farley p.4

Contents

About this report

Our commitment to helping build a better world where every person is free to move and pursue their dreams is our legacy — and our future. Building a strong, sustainable business takes commitment, effort, and persistence. By advancing groundbreaking technology, supporting our people, our partners, and our customers, and protecting our planet, we are ensuring that Ford Motor Company will be here for generations to come.

This year marks our 25th annual sustainability report, and we are committed to maintaining our leadership position in sustainability reporting. That's why this year, we are beginning the transition to align our Integrated Sustainability and Financial Report with the European Union Corporate Sustainability Reporting Directive (CSRD) (EU 2023/2772 of 31 July 2023). Wherever applicable, we have noted where information is linked to CSRD required disclosures set out by the European Sustainability Reporting Standards (ESRS). As part of this transition to CSRD, we have integrated our previously standalone Climate Change Report and Human Rights Report into this report.

The report has been developed considering the findings of our double materiality assessment and is structured in alignment with CSRD expectations. It examines our business through four lenses: Products and Services, Environment, Social, and Governance. Underlying the entire report is our approach to sustainability, along with our sustainability aspirations and achievements.

We're also shifting away from planned investments and expenditures to focus on actual progress to date. This transition will take time, and this report represents one more step in our journey to a more technical report that uses data to describe progress toward our goals. We welcome you to share with us your feedback and any comments you may have at sustaina@ford.com.

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On our website
In our Sustainable Finance Report

In the Reporting Frameworks
(GRI, TCFD, SASB, UNGPRF, and UN SDGs)

ESRS 2 BP-2. 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, 2023, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Ford name, and all trademarks and logos displayed in this Report are owned or used under license by Ford. These trademarks include, but are not limited to, product brand names (for example, Ford, Lincoln, Motorcraft®), vehicle model names (for example, Mustang, Explorer, F-150), slogans (for example, Built Ford Tough), and logos and emblems. The unauthorized use of any trademark displayed in this Report is strictly prohibited.

On The Road to Better

A letter from Bill Ford and Jim Farley

> Our industry is experiencing change at a remarkable rate and magnitude, and Ford is seizing this opportunity to lead and help build a better world."

Bill Ford

Jim Farley

That kind of leadership has set us apart for more than 120 years. It is why we were the first in our industry, 25 years ago, to publish a sustainability report, which was recognized for its transparency. It is why we were among the first in our industry to fully integrate our financial, environmental, social, and governance performance into one consolidated report. And it's why we reorganized our auto business into three customer-focused segments designed to evolve with a changing world.

This values-led approach continues to guide us on the road to a more sustainable and equitable transportation future. And it requires us to be nimble and responsive as we deliver both what our customers want and what the planet needs.

It's clear to everyone at Ford that electric and software-defined vehicles will play an increasingly important role in our future. What's also true is that building our business for this future isn't going to be easy or quick. We believe we will successfully navigate this transition through two pursuits: by focusing on our customers, and by making decisions that improve the lives of our employees and everyone who relies on Ford.

Last year, our overall EV sales increased despite slowing adoption across the industry. We have strong product lineups in all three categories of vehicles – EVs, internal combustion engine vehicles, and hybrids. Hybrid sales rose 20% for the year. In 2024, we expect that percentage growth to increase. In addition to building the best-selling gas and electric trucks in the U.S., Ford also produced the No. 1 and No. 2 best-selling hybrid trucks.

We expect our EV growth to continue this year with the launch of the all-new electric Explorer in Europe. And as EV prices come down, improving access to reliable fast charging is critical to help more customers confidently choose an EV. We're proud to have partnered with Tesla to ensure Ford customers were the first of any non-Tesla automaker to gain access to Tesla Superchargers across the U.S. and Canada, and we're giving customers the adapters they need to access the network for free.

There's also an interesting story about EV adoption when it comes to our commercial and government customers. These customers are increasingly going electric through Ford Pro, a nearly $60 billion, industry-leading business that is helping streamline their path to electrification. Our customers are discovering that EVs get the job done and save them money through lower total cost of ownership. In 2024, Ford Pro's commercial customers will have more EVs to choose from to support their unique needs and use cases, including an E-Transit with enhanced range.

Our support goes well beyond the products themselves. We are creating an ecosystem of software-enabled customer experiences and services to make our vehicles even more productive, while also improving their environmental performance.

With these diverse offerings, we remain focused on building a profitable and efficient EV business that can scale as demand grows. We're gaining valuable customer insights from our first-generation EVs. We know the transition to EVs won't be a straight line, but we can't lose sight of our goal: a healthy planet and business.

As always for Ford, we are focused on both what we build and how we build. We've continued to push ourselves on environmental quality, which includes conserving water, reducing waste, and transitioning our company to carbon-free electricity. It's what our customers and our neighbors expect from Ford.

We have reduced the overall carbon footprint of our operations, including both manufacturing and non-manufacturing, by 47% between 2017 and 2023. The U.S Department of Energy acknowledged Ford for achieving deep and sustained energy and greenhouse gas savings at 31 locations in the U.S., including all of our manufacturing facilities. Ford announced that our assembly plant in Cologne will be carbon neutral when production of the all-electric Explorer starts later this year, and we continued construction of BlueOval City in Tennessee. The assembly plant there will use the equivalent of carbon-free electricity from the day it opens. We also announced plans to build the country's first automaker-backed LFP battery plant, BlueOval Battery Park in Michigan, while protecting 245 acres along the Kalamazoo River.

Ford is leading our industry to secure raw materials directly from mining companies aligned with our sustainability goals, to scrutinize our battery supply chain and to acknowledge the rights of Indigenous Peoples. Lead the Charge, a consortium of advocacy organizations, ranked Ford No. 1 among global automakers for our efforts to deliver an equitable and sustainable supply chain.

Ford and our philanthropic arm, the Ford Fund, invested more than $73.7 million in charitable contributions toward its mission to partner with communities to help move people forward across key areas of impact: essential services, education for the future of work, entrepreneurship, and mobility. This year, we are celebrating 75 years of the Ford Fund and its impact in communities worldwide. Building on that commitment, Ford also launched a dedicated community engagement function to provide better lines of communication in communities where we have a manufacturing presence.

Further, we strongly believe in rewarding our employees. In 2023, we offered a record contract for our more than 57,000 UAW-represented employees and their families in the U.S. The three-year agreement with Ford of Canada's Unifor-represented hourly employees provided significant wage increases and bonuses, and a number of major enhancements to support our future. For our U.S. salaried employees, we introduced new family-building benefits that cater to every unique journey to parenthood. They are designed to help alleviate the financial burden and provide support to make the process easier to understand and navigate.

Our commitment to sustainability remains steadfast. We will continue taking the long view, investing in our people, our communities, and innovation on the road to a better and brighter future for everyone.

We invite you to explore this report for the details of our plans and our progress.

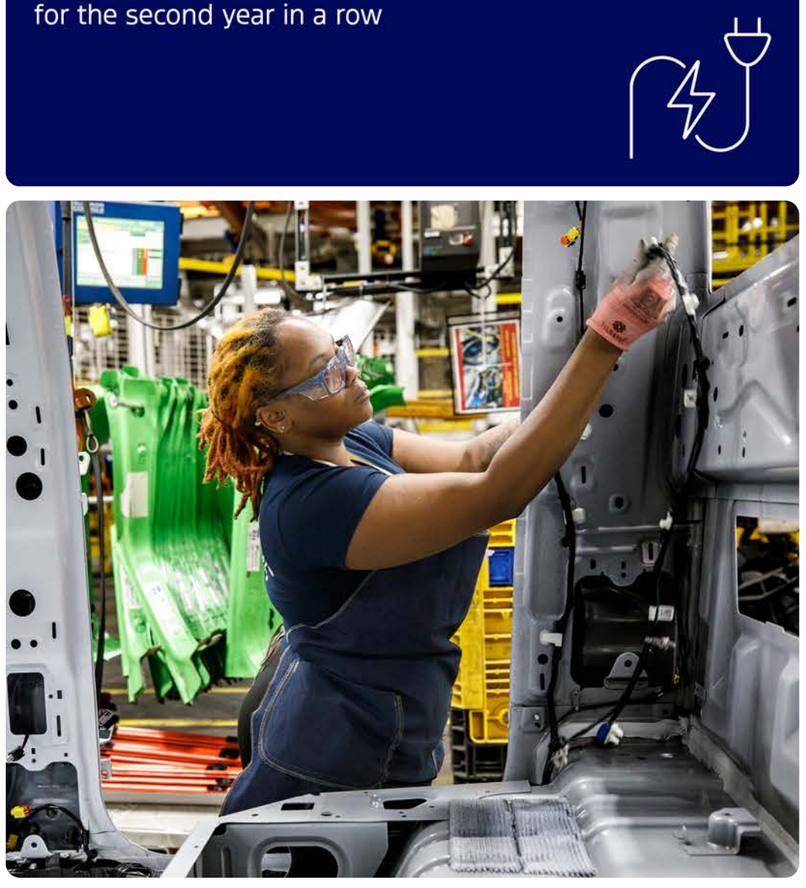
Bill Ford
Executive Chair

Jim Farley
President and Chief Executive Officer

Ford at a Glance

#2

in EV sales in North America, for the second year in a row



47%

reduction in Scope 1 and 2 global operations greenhouse gas (GHG) emissions since 2017. Science Based Target initiative (SBTi) approved reduction target is 76% by 2035

Read More

In Climate Change on p.59

6%

reduction in Scope 3 GHG emissions per vehicle kilometer since 2019. SBTi approved reduction target is 50% by 2035

Read More

In Climate Change on p.59

500,000+

charging plugs on the BlueOval Charge Network in Europe

Read More

In Electric Vehicles, Batteries and Charging Infrastructure on p.34

CDP A

status in both CDP Climate and Water since 2019

CDP DISCLOSURE INSIGHT ACTION A LIST 2023

86

zero waste to landfill sites globally

Ford at a Glance
— continued

111,000+

chargers on the BlueOval™ Charge Network in North America, a 25% growth from 2022

$2B

invested to transform our historic plant in Niehl, Cologne to the Cologne Electric Vehicle Center. Once fully operational in 2024, the Cologne EV Center will be independently certified as carbon-neutral

Read More

In Climate Change on p.65

Updated

our We Are Committed to Protecting Human Rights and the Environment policy to formally reflect our commitment to respecting the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in both our own business and supply chain

Read More

In Human Rights on p.88

$73.7M

in charitable contributions to strengthen communities worldwide through the Ford Motor Company Fund

Read More

In Socioeconomic Contribution and Community Engagement on p.116

#1

overall score in Lead the Charge Coalition's annual Leaderboard report

$4.21B

of net proceeds allocated from Green Bonds since 2021

Our Leadership in Sustainability

As we enter our 25th year of sustainability reporting, we take pride in our long track record of aligning business practices with societal and environmental imperatives and prioritizing the wellbeing of our employees and community members.

1999

Published our first Corporate Citizenship report, "Connecting with Society"

Marked 50 years of supporting communities through our philanthropic arm, Ford Motor Company Fund

2003

Established Ford Driving Skills for Life education program

Adopted the Code of Human Rights/Basic Working Conditions for our company and suppliers

2004

Reopened our Ford Rouge Center with its living roof, daylighting system, and waste minimization

Launched the Escape Hybrid, the world's first hybrid SUV

Included human rights expectations in Global Terms and Conditions with suppliers, the first automaker to do so

2005

Received a score of 100 for the first time from Human Rights Campaign, which also names Ford a Best Place to Work for LGBT equality

Established Ford Volunteer Corps to provide community service opportunities for employees

2007

Introduced SYNC®, a hands-free connectivity system

Joined the United States Climate Action Partnership and UN Global Compact

Launched 2008 Ford Mustang with the first soy foam based seats and headrests

2009

Launched the EcoBoost engine, which optimizes power and efficiency using turbocharging and direct gasoline injection

2011

Launched the full electric Focus EV

2013

Opened Ford Resource and Engagement Center in Southwest Detroit – the first of five in Ford Fund's global network of community centers

2014

Implemented Partnership for a Cleaner Environment (PACE) program with suppliers to reduce our collective environmental footprint

Became a signatory to the UN CEO Water Mandate

Announced a saving of more than 10 billion gallons of water

Our Leadership in Sustainability
— continued

2015

Developed the Ford Mobility plan, advancing connectivity, mobility, self-driving vehicles, and big data

Began exploring self-driving vehicle technology

Launched the new, lightweight all-aluminum F-150

2016

Became a signatory to the UN Sustainable Development Goals (SDGs)

Became the first OEM to join the Responsible Business Alliance (RBA)

SUSTAINABLE DEVELOPMENT GOALS

2018

Developed the Transportation Mobility Cloud with Ford-owned Autonomic

Met our goal, set in 2010, to reduce operational GHG emissions per vehicle produced by 30% (eight years early)

Celebrated 10 years of soybean-based foam in more than 18.5 million vehicles built in North America

Conducted first formal UN human rights saliency assessment, the first automaker to do so and link environment as a human rights issue

2019

Launched Sustainability Aspirational Goals

Achieved double A rating for CDP Climate and Water

CDP DISCLOSURE INSIGHT ACTION A LIST 2023 CLIMATE WATER

2020

Set target to be carbon neutral no later than 2050

Launched Mustang Mach-E

Designed and Produced a new powered air-purifying respirator and new ventilators, in collaboration with the UAW, produce face masks at Ford's Van Dyke Transmission Plant for internal Ford use and provide millions to local healthcare workers and communities

Contributed over $1.13M to worldwide COVID relief through employee donation match; Direct $3M to community organizations

Signed UN Women's Empowerment Principles

Achieved 75% absolute reduction in water use since 2000

2021

Announced $11.4B planned investment in BlueOval City and BlueOval SK Battery Park

Launched Ford Pro

Issued $2.5B inaugural Green Bond, the largest non-financial corporate green bond to date

Issued stand-alone Human Rights Report, a first for the U.S. automotive industry

Used 100% recycled ocean plastics to produce automotive parts, the first automaker to do so

Signed UN International Year for the Elimination of Child Labour Action Pledge

2022

Launched F-150 Lightning

Launched E-Transit van

Launched Manufacture 2030 program to work with suppliers to reduce our collective environmental footprint, replacing PACE

Announced reorganization of business into three business segments: Ford Blue, Ford Model e and Ford Pro

Issued second $1.75B Green Bond and inaugural Sustainable Financing Report

Made the largest renewable energy purchase from a utility in U.S. history

2023

Started construction on BlueOval Battery Park Michigan, BlueOval City and BlueOval SK Battery Park

Committed to supporting a living wage

Mapped and audited our EV battery raw material supply chains to include nickel, lithium, cobalt and graphite

Created Community Relations Department to focus on engagement with manufacturing communities

Our purpose of helping to build a better world is rooted in our long history and our commitment to sustainability. Together they position us for continued progress along The Road to Better.

Financial Highlights

ESRS 2 SBM-1

We delivered solid results in 2023, reflecting positive momentum from the Ford+ plan for growth and value creation.

Our global product lineup is popular with customers and generated revenue of $176 billion in 2023, up 11% for our second consecutive year of double-digit growth. Adjusted EBIT for the year was $10.4 billion, driven by the continued strength of Ford Pro and Ford Blue.

In our first full year of operating with three customer-centered auto segments, the strategy is paying off with increased focus, priority, accountability, and flexibility to quickly adapt to the changing needs of customers.

Ford Pro more than doubled its EBIT year over year to $7.2 billion, demonstrating the earnings power of an emerging growth company with high customer value, large competitive moats and progress creating recurring revenue streams — including software and a greater emphasis on services. Ford Blue grew revenue 8% year over year and was profitable in every region around the world in 2023. Both segments are benefiting from ongoing updates to Ford's product portfolio. By the end of this year, 60% of Ford Blue's gas and hybrid products will have been recently refreshed, including the upcoming launch of a new F-150.

Ford Model e, our startup electric vehicle (EV) business, grew both wholesales and revenue in 2023, 20% and 12%, respectively. The segment's EBIT loss of $4.7 billion reflected challenging market dynamics and strategic investments in our next-generation electric vehicles. We are building an EV business that is appealing to customers and profitable over the long term. To do that, we're reducing costs of our first-generation EVs that are in the market today and adjusting investments to match demand. Our goal is to ensure our next-generation products will be profitable within the first 12 months after they're launched.

Ford is well positioned to manage the transition of our products towards an electric future. In the meantime, our strategy and unique capability to offer customers more choices demonstrated their potential in 2023. In North America, we now sell gas, hybrid, and electric versions of our flagship F-150 pickup truck, all at high volumes. We had the number one internal combustion engine (ICE) vehicle (F-Series), hybrid (Maverick) and EV truck (F-150 Lightning) in the U.S. in 2023. Hybrid vehicles give customers exceptional value and Ford great opportunity for growth. We sold about 280,000 hybrids globally last year, up nearly 20% year over year, and expect growth to continue in 2024.

We are also pairing our popular retail and work vehicles with digitally enabled customer experiences and value-added services. We ended the year with 630,000 paid software subscribers, the majority of whom are using Ford Pro productivity tools like telematics and fleet management solutions, with gross margins over 50%. This is a cornerstone of Ford+ and a key differentiator for our brand.

We recently formed Ford Integrated Services, tasked with transforming customer experiences across our three segments by developing and delivering high-value, software-enabled services that help address some of our customers' greatest challenges. We are focused on the experiences around buying, driving, securing, servicing, and charging a Ford vehicle to build a simple, transparent, and always-on relationship with the customer.

2023 Financial Highlights

Revenue:

$176.2B

(2022: $158.1B)

ESRS 2 SBM-1

Adjusted EBIT margin[2]:

5.9%

(2022: 6.6%)

Net income/(loss):

$4.3B

(2022: $(2.0)B)

Adjusted free cash flow[2]:

$6.8B

(2022: $9.1B)

Adjusted EBIT[2]:

$10.4B

(2022: $10.4B)

Adjusted earnings per share[2]:

$2.01

(2022: $1.88)

Financial Highlights
— continued

ESRS 2 SBM-1

"Organizing our business around three distinct, customer-focused segments is a game changer for Ford. With Ford+, we're building a company that thrives at the intersection of hardware, software, and services, with higher growth, higher margins, greater capital efficiency, and less cyclicality."

John Lawler, Ford Chief Financial Officer

Our underlying business is solid and getting stronger. Profitability of our core business units — Ford Pro, Ford Model e and Ford Blue — improved EBIT by $2 billion, or 26%. Our free cash flow conversion rate was 65%, above the top end of our target range. We are benefiting from more disciplined capital allocation to our global footprint and portfolio of products and services.

Raising quality and lowering costs across Ford are high priorities in every part of our company. To do that, we are reimagining and restructuring our global industrial system — product development, cycle planning, supply chain, and manufacturing. Just months into the change, we are already seeing quality improvements, including in new-product launches. For example, against one measure — product quality after a vehicle has been in service for three months, which is correlated to long-term quality — Ford improved its performance 10% over the course of the year. Quality now factors into 70% of short-term incentive compensation to managers at Ford, helping to make the world-class performance and durability customers deserve everyone's responsibility.

Ford's operations outside North America continued their remarkable turnaround in 2023, marking the second straight profitable year and representing a significant reversal from an EBIT loss of about $2 billion in 2020. The improvement in these markets is the direct result of taking actions to create asset-light approaches. Their strength last year was accomplished with high-demand vehicles like the Everest SUV and Ranger midsize pickup.

Ford Credit remains a strategic asset, competitive advantage, and strong performer for Ford, generating EBT of $1.3 billion in 2023 as credit loss performance normalizes, but remains below our historical average. The business is retaining existing customers, winning new ones, and increasing revenue streams with an expanding range of digital services and products, like credit pre-qualification for retail customers and Ford Pro FinSimple and Insure for commercial customers.

Company-wide, Ford again generated robust adjusted free cash flow of $6.8 billion in 2023. Our balance sheet remains strong, with nearly $29 billion in cash and more than $46 billion in liquidity at the end of year.

As a result, we have considerable flexibility to make vital investments in Ford+, while also returning value to shareholders, targeting distributions of 40% to 50% of adjusted free cash flow. Last year, we returned 50% of our adjusted free cash flow to shareholders, at the high end of that range, through regular and special dividends. At the same time, the underlying strength of the Ford+ plan and cash generation contributed to Ford's credit ratings returning to investment grade in 2023.

We are poised for another solid year in 2024, with adjusted EBIT expected to be between $10 billion to $12 billion, benefiting from about $2 billion in anticipated cost savings in our industrial systems, and further progress in establishing recurring revenue streams.

2023 Sustainable Financing Framework Update

Ford's Sustainable Financing Framework — introduced in 2021 and a first for the American auto industry — is supporting the financing of our clean transportation projects and efforts to create positive social and environmental benefits as we move towards a carbon neutral transportation future.

In November 2021, Ford issued its first green bond under the framework, the largest such transaction by a U.S. corporation at the time, raising $2.5 billion. This was followed by a second Green Bond of $1.75 billion in August 2022.

By June 30, 2023, $4.21 billion, the total of the net proceeds of the two bonds, had been fully allocated to the design, development, and manufacture of the company's current EV lineup — the Mustang Mach-E, F-150 Lightning, and E-Transit — and EVs to be unveiled in the future, as well as other development activities that will benefit our entire EV portfolio.

Read More

In the Sustainable Financing Report
In the Sustainable Financing Framework

Corporate Revolvers

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

Our corporate and supplemental revolvers each have three sustainability-linked key performance indicators (KPIs) that are tied to global manufacturing greenhouse gas emissions, manufacturing renewable energy, and Scope 3 passenger vehicle emissions in Europe.

Sustainability at Ford

In this section:

Our Materiality Assessment

We updated our sustainability materiality methodology to further align with guidelines from the Corporate Sustainability Reporting Directive.

The Global Reporting Initiative (GRI) requires an organization to identify the most significant actual and potential impacts on the economy, environment, and people. The Corporate Sustainability Reporting Directive (CSRD) requires companies to adopt the concept of double materiality and report on two parameters: the topics that may impact the financial performance of the company and the company's own impact on society, the environment, and the economy.

Our materiality methodology was refreshed in 2024 to reflect these emerging guidelines and incorporate elements of double materiality.

Our Materiality Process

ESRS 2 IRO-1

In preparation for CSRD compliance we chose to rethink our methodology and refresh our materiality to ensure we continue to focus on our most significant sustainability impacts. Moving forward, we will conduct assessments annually. This assessment covers Ford Motor Company and all wholly owned subsidiaries.

We recognize that we are in a transition period as we prepare for future CSRD reporting, and we expect that our approach will evolve further in future.

This year's approach allowed us to consider our impacts on sustainability matters more objectively. We leveraged extensive outputs gathered during our 2023 assessment, which engaged internal and external stakeholders, including industry associations and non-governmental organizations (NGOs), and internal subject matter experts.

In 2023, we sought to achieve a balanced and comprehensive review of topics covering all environmental, social, and governance areas likely to be relevant across Ford's value chain. We began our 2024 assessment by reviewing and building upon that list of topics and their definitions.

Identified topics were supplemented with additional desk-based research given the fast-changing landscape in which we operate. We considered key sustainability trends, industry trends, a benchmark of our peers, and sustainability standards and frameworks, most notably the European Sustainability Reporting Standards (ESRS) which define the reporting requirements of the CSRD.

We also considered the risks and opportunities associated with each topic, the interests and expectations of stakeholders, as well as Ford's organizational purpose, strategies, and goals. Not only did this approach ensure comprehensive coverage, but it also enabled us to adjust several existing topics.

To identify the significance of each identified topic, we assessed the severity and likelihood of impacts and the magnitude and likelihood of financial risks and opportunities. Results were then shared and discussed with internal subject matter experts and adjusted as needed. This resulted in a topic prioritization list that was also calibrated with subject matter experts.

This Integrated Sustainability and Financial Report is structured to provide proof points on Ford's impacts on each of the material topics identified.

Our Material Topics

ESRS 2 SBM-3

It is important to note that our approach is evolving, and that a like-for-like comparison is not possible with our 2023 materiality assessment.

Some topics were separated to allow for a more focused assessment, while other topics were streamlined and grouped, where appropriate. For example:

- Environmental Management has been split into its constituent parts of biodiversity and ecosystems; air, water and soil pollution; and water resources.
- Human Rights and Supply Chain Management has been split to allow the human rights and governance areas of supply chain to be assessed separately.
- Corporate Governance and Risk Management has been grouped with Transparency, Business Ethics, and Integrity into the combined topic Business Conduct.

Given the inherent interdependencies between topics, we have decided to move Electric Vehicles, a key piece of our climate change strategy, under Climate Change for the purpose of this report. Similarly, Accessible and Affordable Mobility Solutions has been redefined as part of climate justice.

Environmental justice, including climate justice, and Just Transition sit at the intersection of many material topics. For the purpose of this report, climate justice is covered under Climate Change and Just Transition is covered under Human Capital Management.

Read More

In Climate Change on p.45

In Human Capital Management and DEI on p.104

We have identified four topics as our highest priorities: climate change (including energy use), human rights, supply chain management, and product safety and quality. These topics are listed in alphabetical order, not in order of importance.

Read More

About the full topic definitions and associated subtopics in Appendix 1

Topics are aligned with CSRD and stated in alphabetical order

Higher Impact Topics
Climate Change
Human Rights
Supply Chain Management
Product Safety and Quality

High Impact Topics
Air, Water, and Soil Pollution
Biodiversity and Ecosystems
Circular Economy and End of Life
Connected Vehicles and Digital Services
Human Capital Management and Diversity, Equity, and Inclusion
Water Resources

Moderate Impact Topics
Business Conduct
Customer Experience and Responsible Marketing
Data Protection, Privacy, and Cyber Security
Employee Health and Safety
Socioeconomic Contribution and Community Engagement

Our Sustainability Strategy

ESRS 2 SBM-1

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

Sustainability topics are entwined with our purpose: To help build a better world where every person is free to move and pursue their dreams. It's at the heart of everything we do.

Our Strategies

We have developed these specific strategies to address the collective challenges the world faces and achieve our Sustainability Aspirations.

Read More

In Sustainability Aspirations on p.14

Climate Change Strategy

To achieve our carbon neutrality goal, we are focusing on three areas that account for approximately 95% of our carbon dioxide emissions — our vehicles, our operations, and our supply chain. Addressing the largest emissions source, our vehicle use from a well-to-wheel perspective, Ford's investment in electric vehicles is a core element of our climate change strategy.

Read More

In Climate Change, Carbon Neutrality Overview on p.59

Energy Strategy

We are committed to sourcing 100% carbon-free electricity for our global manufacturing operations by 2035 through a mix of wind, solar power, nuclear, geothermal, biomass, and hydro. We are using our purchasing power to invest in renewable electricity, including in southeast Michigan.

Read More

In Climate Change — Achieving Carbon Neutrality on p.59

Sustainable Materials Strategy

Using recycled and renewable materials helps reduce waste and lower need for new materials. We aspire to use only recycled or renewable content in vehicle plastics. Our near-term target is to use 20% recycled or renewable plastics by 2025 in new vehicle designs for North America and Europe, including Turkey, and 10% for China. Ford's closed loop recycling system maximizes aluminum recycling, reduces the energy needed to create new primary aluminum, and minimizes the need for raw materials.

Read More

In Circular Economy and End of Life on p.76

Waste Strategy

We are focused on managing and minimizing the waste we generate to reach true zero waste to landfill across our global operations. We aim to eliminate single-use plastics from our operations by 2030.

Read More

in Circular Economy and End of Life on p.76

Water Strategy

Ford is committed to reducing water use, aspiring to use freshwater only for human consumption and make zero water withdrawals for manufacturing processes in order to support freshwater availability in local communities. To further decrease our water consumption, we continue to integrate more water efficient processes and technologies in our manufacturing systems.

Read More

In Water Resources on p.82

Human Rights Strategy

Ford is committed to respecting human rights, including the right to clean air and clean water, across our entire business and value chain. This commitment guides our decision-making and our actions, and extends to our suppliers and business partners, from the origin of the raw materials used to make our products to the end of life of these products. Guided by our We Are Committed to Protecting Human Rights and the Environment policy, our goal is to ensure that everything we do, or that others do for us, meets or exceeds the minimum regulatory requirements and strives to create a positive impact on people and the planet.

Read More

In Human Rights on p.88

People Strategy

Diverse representation, equity, and inclusion are the bedrock of our people strategy. We are committed to finding, hiring, developing, and retaining great talent that is inclusive of everyone in the communities that we serve. We are committed to structural and systemic equity at every stage of the employee journey. Every employee is expected to support each other, to learn about people different than themselves, and disrupt bias in everyday behaviors and decisions. Ford supports a just transition by preparing our workforce and local communities for the transition to EVs.

Read More

In Human Capital Management and Diversity, Equity, and Inclusion on p.104

Sustainability Reporting Strategy

Basis for Preparation of Sustainability Statement

ESRS 2 BP-1, ESRS 2 BP-2

This Integrated Sustainability and Financial Report has been prepared in alignment with the EU Corporate Sustainability Reporting Directive (CSRD) expectations around the structure of our sustainability statement on a global consolidated basis for Ford Motor Company and its wholly owned subsidiaries.

The CSRD requires disclosures against the European Sustainability Reporting Standards (ESRS). Throughout the report you will see ESRS tags on some chapters or sections, such as the "ESRS 2 BP-1" above, indicating which disclosures we are addressing in that section.

All 2024 ESRS disclosures for Ford Motor Company are contained within this Integrated Sustainability and Financial Report. We are voluntarily phasing in these disclosures in the 2024 report, not all ESRS required disclosures are included at this time. We are working towards full CSRD reporting compliance in our 2025 Integrated Sustainability and Financial Report.

Time horizons in this report are consistent with our climate reporting and cover three time horizons: short-term (<5 years), medium-term (5–10 years), and long-term (>10 years).

There are also disclosures in this report that stem from other regulations and frameworks including, but not limited to, the German Supply Chain Due Diligence Act, The Global Reporting Initiative (GRI), the Task Force on Climate-Related Disclosures (TCFD), and the United Nations Guiding Principles Reporting Framework (UNGPRF).

Read More

In Appendix 2 — CSRD Index on p.170

In Appendix 4— TCFD Index on p.188

In Appendix 6— UNGPRF Index on p.191

Our sustainability efforts drive our business today, and inform our way forward as we transform our business for a new era of electric and connected vehicles. Our aspirations set the pathway for our continued success, for generations to come.

Our Sustainability Aspirations

Climate Change

Achieve carbon neutrality no later than 2050

Waste

Reach true zero waste to landfill across our operations

Eliminate single-use plastics from our operations by 2030

Air

Attain zero emissions from our vehicles and facilities

Energy

Use 100 percent carbon-free electricity in all manufacturing by 2035

Water

Make zero water withdrawals for manufacturing processes

Use freshwater only for human consumption

Materials

Utilize only recycled or renewable content in vehicle plastics

Safety

Work toward a future that is free from vehicle crashes and workplace injuries

Human Rights

Source only raw materials that are responsibly produced

Diversity, Equity, and Inclusion

Support a diverse, equitable, and inclusive workplace where each person is valued

Access

Drive human progress by providing mobility and accessibility for all

Accelerating Progress

As we continue on our sustainability journey, we are committed to having a positive impact on people and the planet. Below, we have summarized our progress.

ESRS 2 SBM-1

Climate Change

Achieve carbon neutrality no later than 2050

Read More

In Climate Change — Achieving Carbon Neutrality on p.59

Goals	Progress
Vehicles Reduce Scope 3 greenhouse gas (GHG) emissions from use of sold products by 50% per vehicle kilometer by 2035 (Science Based Target initiative (SBTi) target, 2019 baseline)	• Achieved a 6% reduction in our Scope 3 GHG emissions per vehicle kilometer since 2019
Offer a comprehensive and flexible range of electric, hybrid, and internal combustion vehicles	• Ford was the number 2 EV brand and we had the number 1 EV truck (F-150 Lightning) in the U.S. in 2023[3] • F-150 Lightning went global for the first time with entry into Norway • Introduced lithium iron phosphate (LFP) batteries on Mustang Mach-E • We had the number 1 internal combustion engine (ICE) vehicle (F-150) and hybrid (Maverick) in the U.S. in 2023 • EcoBoost engines are deployed across nearly 100% of the portfolio for improved fuel economy • In 2023, we sold 270,000 hybrids globally, up nearly 20% year over year
Offer lower-carbon alternative fuel options	• All our diesel vehicles are compatible with low-level biodiesel blends • In Europe, our Transit, Transit Custom, Transit Courier, Transit Connect, and Ranger are compatible with renewable paraffinic diesel fuels, renewable diesel, and e-diesel (blends typically from 33% to 100%)
Support customers on their way to carbon neutrality	• Ford Pro services help optimize customer fleets and offer EV charging (public, depot, and employee home) • Promote “eco-driving” through training, information, and in-vehicle technology
Operations Reduce GHG emissions from 2017 baseline by: • 18% by 2023 in global manufacturing • 76% by 2035 in global operations, in line with our SBTi 1.5C pathway	• Achieved absolute GHG emission reductions, since 2017, of: – 49.0% in our global manufacturing – 47.0% in our global operations (manufacturing + non-manufacturing)
Suppliers Work with suppliers to better understand and reduce our collective environmental footprint through CDP and our best practice climate program	• We have seen significant improvements in CDP and Manufacture 2030 (M2030) supplier engagement in 2023 • Received GHG emissions data from 377 suppliers, 20% more than 2022, using CDP Supply Chain program’s Climate Change Questionnaire • Tier 1 suppliers not only engaging on the M2030 platform, but some are also requiring their suppliers to participate
Address highest emitting materials used in our vehicles	• Ford has pledged to purchase at least 10% low-carbon aluminum and near-zero steel by 2030 • We have signed non-binding memorandums of understanding with strategic steel suppliers and are working on a multi-material partnership to supply Ford low-carbon aluminum, lithium, and copper

UN Sustainable Development Goals

Accelerating Progress
— continued

ESRS 2 SBM-1

Sustainability Aspirations	Goals	Progress	UN Sustainable Development Goals
Energy Use 100 percent carbon-free electricity in all manufacturing by 2035 Read More **In Climate Change — Achieving Carbon Neutrality on p.59**	Achieve 32% renewable electricity by 2023 and 100% carbon-free electricity by 2035	• In 2023 our global manufacturing operations used: – 50.8% Renewable electricity – 70.5% Carbon-free electricity • Currently our manufacturing facilities in Europe, Mexico, and Ohio have the equivalent of 100% carbon-free electricity sourcing • Ford Argentina manufacturing facilities achieved 80% renewable electricity • In 2023, Ford and our joint venture partners installed on-site solar panels at Sacramento HVC/HCC Regional Distribution Daventry Parts Distribution Center, Ford Thailand Manufacturing, Auto Alliance Thailand, and multiple Changan Ford plants	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Materials Use only recycled or renewable content in vehicle plastics Read More **In Circular Economy and End of Life on p.76**	Expand our use of sustainable materials focusing on plastics, battery recycling, and sustainable sourcing	• More than 85%[4] of our vehicle parts and materials are recycled and reused at their end of life • Established an interim target of 20% renewable and recycled plastics by 2025 in new vehicle designs for North America, Europe, and Turkey, and 10% in China • Recover up to 20 million pounds of high-strength, military-grade, aluminum alloy per month through the closed loop recycling system used to build F-series • Used nine industry- and world-first plant-based materials in our production vehicles since 2000	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Waste Reach true zero waste to landfill across our operations Eliminate single-use plastics from our operations by 2030 Read More **In Circular Economy and End of Life on p.76**	Global reduction of waste generated from manufacturing by 5% (absolute volume) (2022 baseline)	• 86 zero waste to landfill (ZWTL) sites • 77% of manufacturing facilities are true ZWTL	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Global reduction of waste disposed from manufacturing by 10% (absolute volume) (2022 baseline)	• Ford facilities around the world sent approximately 16,300 metric tons of waste to landfill, 8% less than in 2022	
	Work with selected suppliers to reduce our collective environmental footprint	• Increased number of suppliers participating in the M2030 climate program, helping suppliers establish science-based targets, and measure, manage, and reduce climate emissions, water usage, and waste	

Accelerating Progress
— continued

ESRS 2 SBM-1

Sustainability Aspirations	Goals	Progress	UN Sustainable Development Goals
Air Attain zero emissions from our vehicles and facilities Read More **In Air, Water, and Soil Pollution on p.80**	Air emissions reductions beyond CO_2	• Working to reduce vehicle emissions of non-CO_2 pollutants, in accordance with increasingly stringent standards around the world	
Water Make zero water withdrawals for manufacturing processes Use freshwater only for human consumption Read More **In Water Resources on p.82**	Reduce absolute freshwater use by 15% by 2025 (2019 baseline)	• 19.4% reduction in absolute freshwater use since 2019 • More than 199 billion gallons of water saved since 2000	
	Continue to work toward using freshwater sources only for human consumption	• Use of offsite alternative water was 9% in water scarce areas	
	Work with Ford suppliers to reduce our collective environmental footprint through our best practice climate program	• Increased number of suppliers participating in the Manufacture 2030 climate program, helping suppliers establish science-based targets, and measure, manage, and reduce climate emissions, water usage, and waste	
	Engage with our supply chain to understand and reduce its water footprint	• 323 of our suppliers, a 25% increase from 2022, responded to the CDP Water questionnaire	

Accelerating Progress
— continued

ESRS 2 SBM-1

Sustainability Aspirations	Goals	Progress	UN Sustainable Development Goals
Human Rights Source only raw materials that are responsibly produced Read More **In Human Rights on p.88**	We are committed to protecting human rights and the environment	• Updated our We Are Committed to Protecting Human Rights and the Environment policy to formally commit to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Additional policies related to supporting a living wage, not engaging in unlawful eviction, and the use of security forces with proper supervision and due diligence were added in 2023 • Ranked first overall in Lead the Charge Coalition's annual Leaderboard report, which evaluates leading automakers on their efforts to eliminate emissions, environmental harms, and human rights violations from their supply chains • Trained 406 Ford supply chain employees and 400 other employees in Supply Chain Sustainability topics	
	Help suppliers build their capacity to manage supply chain sustainability issues	• Integrated sustainability metrics into sourcing decisions • Held direct engagements to train 48 suppliers, and supported 160 country-specific webinars from Drive Sustainability for suppliers	
	Assess Tier 1 suppliers' compliance with Ford's Supplier Code of Conduct requirements and expectations	• Strengthened our Supplier Code of Conduct to reflect changing regulations and emerging issues and help protect workers, children, communities, the rights of Indigenous Peoples, and the environment in areas where mines and processors operate • Conducted 46 on-site audits with the Responsible Business Alliance (RBA) to confirm compliance with our Supplier Code of Conduct • Began conducting Responsible Supply Chain Initiative audits throughout our supply chain in addition to Responsible Business Alliance audits • Conducted 1,298 total supplier audits since 2003 and 1,725 follow-up audits	
	Build capacity of raw material supply chains to responsibly source/produce to third-party standards Increase transparency, traceability, and due diligence in our EV battery material supply chains	• Conducted RSC Global and Initiative for Responsible Mining Assurance (IRMA) EV Battery Material supply chain audits and supported suppliers to develop corrective action plans as needed • Expanded supply chain audits to include suppliers using graphite and mica • Request IRMA or Responsible Minerals Initiative (RMI) third-party certification of materials • Trained 1,632 suppliers in due diligence related topics • Supported RCS Global Better Mining project in the Democratic Republic of the Congo (DRC) to build capacity for artisanal and small-scale cobalt mining • Continued support for women's empowerment project to advance financial literacy to ensure business and co-op success for artisanal cobalt miners in the DRC	

Accelerating Progress
— continued

ESRS 2 SBM-1

Sustainability Aspirations	Goals	Progress	UN Sustainable Development Goals
Safety Work toward a future that is free from vehicle crashes and workplace injuries Read More **In Product Safety and Quality on p.99**	**Product Safety and Quality** Design and manufacture vehicles that offer innovative driver assist technologies	• For the 2024 model year, Pre-Collision Assist with Automatic Emergency Braking (AEB) is offered standard on 98% of Ford and Lincoln cars, light duty trucks[5] and SUVs • BlueCruise offers new features and system updates that make hands-free highway driving even better • Consumer Reports named BlueCruise the best Level 2 Automated Driving System for the second year in a row	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES
	Play a leading role in vehicle safety and driver assist research and innovation	• For the 2023 model year, multiple Ford and Lincoln nameplates were rated with 5-Star Overall Vehicle ratings by New Car Assessment Programs (NCAP), including 10 in the U.S., 7 in Europe, 7 in China, and 5 in the International Markets Group (IMG)	
	Employee Health and safety Fatalities target is always zero	• There was one employee fatality globally in 2023. Any loss of life or serious injury in the workplace is unacceptable and deeply regretted. Robust corrective actions have been implemented to prevent reoccurrence and reduce risk to our employees and contractors working on site	
	Zero serious injuries, attain industry competitive lost time, and drive continuous improvement	• Our global Lost-Time Case Rate (LTCR) was 0.40	
	Maintain or improve employee personal health and wellbeing	• Our global, holistic approach to employee support and care encompasses the physical, mental, financial, social, and professional wellbeing needs of our employees	

Accelerating Progress
— continued

ESRS 2 SBM-1

Sustainability Aspirations	Goals	Progress	UN Sustainable Development Goals
Diversity, Equity, and Inclusion Support a diverse, equitable, and inclusive workplace where each person is valued Read More **In Human Capital Management and Diversity, Equity, and Inclusion on p.104**	Embed Diversity, Equity and Inclusion (DEI) across the enterprise	• Focused on the long-term cross-functional work required to put the resources and systems in place to equitably support each employee's career journey, and to grow and sustain an inclusive, global workplace	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
	Create an environment of inclusion	• 90% of participants in the 2023 Global Salaried Voice Survey responded that their People Leader treats everyone on their team fairly and equitably, regardless of their differences; up from 86% in 2022 • 87% of Global Salaried Voice Survey participants feel they can be themselves at Ford, up from 82% in 2022	
	Promote gender and racial equity while reducing bias in all people and business policies, processes, and systems	• Published U.S. Gender and Race/Ethnicity Metrics and our annual EEO-1 report • Included in 2023 Bloomberg Gender-Equality Index, our fifth year in a row on the index	
	Continue to purchase from small businesses and businesses owned by veterans, minorities, women, LGBTQ+ people, and people with disabilities	• In 2023 we purchased goods and services from minority-owned suppliers, women-owned businesses, veteran-owned companies, and small businesses	
Access Drive human progress by providing mobility and accessibility for all Read More **In Connected Vehicles and Digital Services on p.40**	Advance Ford L2 and L3 Advanced Driver Assistance Systems (ADAS) systems	• Maintained our focus on offering L2 and L3 driver assistance applications that can add convenience and help make transportation even safer • We remain committed to using vehicles and technology to expand access and provide equitable opportunities for people and communities to move forward	11 SUSTAINABLE CITIES AND COMMUNITIES

How We Create Sustainable Value

ESRS 2 SBM-1

Our Purpose

To help build a better world, where every person is free to move and pursue their dreams.

Our Enablers

Human Capital

- 174,000 employees[1]
- 8,000+ dealerships
- 1,600+ Tier 1 suppliers
- 10 Employee Resource Groups

Social Capital

- Community Relations department focused on engagement with manufacturing communities
- Community engagement for 70+ years through Ford Motor Company Fund, our philanthropic arm
- Partnerships with nonprofits, community organizations, and Ford dealers in 40+ countries
- Strategic partnerships with investors, industry bodies, and partner companies
- Blue Table Forum
- STEM programs and EV training centers to develop future workforce

Financial Capital

- Fully allocated $4.21 billion through two Green Bond issuances under our Sustainable Financing Framework, all proceeds went towards Clean Transportation

Manufactured Capital

- 41 manufacturing and assembly plants[6]
- Product Development Center
- Modernizing EV production

Intellectual Capital

- 2,133 global patents issued
- 379 patents issued in EV technology
- Connectivity and connected services
- FordPass network
- Global Data Insight and Analytics
- D-Ford human-centered design process

Natural Capital

- 10.09 billion kWh of energy used
- 50.8% of electricity used at manufacturing facilities was renewable, and 70.5% carbon-free
- 15.6 million cubic meters of water used globally
- 9 renewable materials used

Our Business

1 Design

We consider sustainability criteria to reduce our vehicles' impacts

2 Responsible Sourcing

We require suppliers to have environmental and social standards aligned with ours

3 Logistics (inbound)

We encourage our logistics providers to transport and deliver materials and parts efficiently

4 Manufacturing

We invest in lean processes and world-class factories to create positive impact

5 Logistics (outbound)

We encourage our logistics providers to transport finished vehicles efficiently

6 Sales and Service

We are reimagining customer experience by listening and adapting to their needs

7 Our Vehicles in Use

We are continuously improving our vehicles' environmental impact, safety, and quality

8 Mobility

We are exploring new solutions to support urban mobility

9 End of Vehicle Life

Over 85%[4] of our vehicle parts and materials are recycled and reused

Our Impact in 2023

Employees

- Health and wellbeing programs for employees and families
- Competitive salaries and benefits
- Employee training and development
- Culture of caring and inclusion

Customers

- 4.413 million wholesale vehicles sold globally
- 130,905 EVs sold globally
- Access to EV charging networks
- Remote Pickup & Delivery and Mobile Service vans
- Improved vehicle safety and driver assist technologies
- 109 safety recalls and 7.8 million passenger vehicle recalls globally

Investors

- Strong balance sheet
- Financial flexibility to invest in Ford+ growth plan
- Disciplined capital allocation
- Focus on total shareholder return
- More transparent reporting for investors

Suppliers

- Training to build capacity to manage supply chain sustainability issues
- Integrated sustainability metrics into sourcing decisions
- Sustainability best practices shared with suppliers through best practice climate program
- CO_2e emission reduction targets collected and assessed to develop joint roadmap supporting carbon neutrality aspiration
- Increased transparency into supply chains to support responsible sourcing of raw materials

Communities and Society

- Invested $73.7 million in charitable contributions
- 2.3 invested in communities globally since 1949
- 1.7 million employee volunteer hours since 2005 through the Ford Volunteer Corps
- Responsible mineral sourcing program provides training to advance financial literacy for women in the Democratic Republic of the Congo

Planet

- 387 million metric tons of greenhouse gases (GHGs) emitted total (Preliminary 2023 Scope 1, 2, and 3)
- 47% reduction in Scope 1 and 2 operations (manufacturing + non-manufacturing) GHG emissions since 2017
- 19% reduction in total Scope 3 GHG emissions since 2019
- Used 15.6 million cubic meters of water, achieving a 19.4% reduction from 2019
- 86 true zero waste to landfill sites
- Sent 16.3 million kilograms of waste to landfill and recycled 938.8 million kilograms
- Recycle millions of pounds of aluminum per month

Our Human Rights Saliency Assessment

Ford uses a saliency assessment to identify and prioritize the company's key risks associated with human rights, and areas where we can make an impact.

The saliency assessment identifies potential high-risk human rights areas within our operations and along our value chain. Starting in 2023, in response to new due diligence laws, such as the German Supply Chain Due Diligence Act, we have changed how we conduct saliency assessments and risk assessments. In addition to human rights, we have expanded the scope of environmental issues addressed in the saliency assessment. We plan to review and update the salient issues and key risks to the company annually. This saliency assessment is aligned with the United Nations Guiding Principles Reporting Framework.

Saliency Assessment Process

In early 2023, we worked with an outside consultant to review and update our prior saliency assessment to ensure the salient human rights and environment-related issues were still valid. We then updated the definitions based on recent trends and developments, as well as the scope of what the issues encompass.

Our saliency assessment includes four phases: identification, prioritization, validation, and reporting.

For more information on past salient human rights assessments and processes, you can view our previously standalone 2022 Human Rights Report and 2023 Human Rights Progress Report under "Previous Sustainability and Financial Reports" on our sustainability website.

Read More

On our sustainability website

Determining Saliency

1 Identification

Identify the full range of human rights that could potentially be negatively impacted by Ford's activities or through business relationships:

- Conduct desktop research
- Involve all relevant functions
- Engage with key stakeholders to gain perspectives of those individuals who may be negatively impacted

2 Prioritization

Prioritize potential negative impacts:

- Firstly based on their potential severity:
  - How grave the impact would be
  - How widespread the impact would be
  - How hard it would be to remedy
- Secondly based on their likelihood
- Plot the impacts along Ford's value chain to understand where they occur and Ford's degree of control over them

3 Validation

Engage with internal and external stakeholders to:

- Explain key findings of the saliency assessment
- Check whether any considerations have been missed
- Validate the list of salient human rights issues

4 Reporting

Based on the validated list of salient human rights issues, develop this stand-alone Human Rights report to explain:

- What each issue is about
- Why it is important
- Who is impacted
- How Ford is managing the issue
- What is the progress made during the year
- What is our priority going forward

Engagement mechanisms

- Pre-interview questionnaire
- Interviews with internal and external subject matter experts
- Survey for Ford employees and dealers
- Validation workshop with subject matters experts

Our Human Rights Saliency Assessment
— continued

Issues (listed alphabetically)	UN SDGs
1 Clean, healthy and sustainable environment	3 6 7 11 12 13
2 Fair and decent work	5 8 10
3 Forced labor, child labor and human trafficking	5 8
4 Harassment and discrimination	5 10
5 Health and safety	3 8 11
6 Impacts of EV transition	8 11 13
7 Rights of Indigenous Peoples	3 6 10 11 12

Saliency Assessment Results

Our 2023 saliency assessment resulted in an updated list of human rights and environment-related salient topics, as seen here. You can read more about each of these topics and the work being done in this chapter and throughout the report.

Clean, Healthy and Sustainable Environment

Sustainability Aspiration:
Achieve carbon neutrality no later than 2050.

Attain zero emissions from our vehicles and facilities.

Make zero water withdrawals for manufacturing processes and use freshwater only for human consumption.

Human Rights Salient Issue:
Human-driven climate change, biodiversity loss, and air and water pollution impact current and future generations' enjoyment of a clean, healthy, and sustainable environment and have negative implications for the enjoyment of all human rights.

2023 Update:
Climate change — which creates extreme weather events and causes natural disasters, rising sea levels, floods, heatwaves, drought, water scarcity, and the spread of disease — threatens the human rights of millions of people around the world, including the right to life, water and sanitation, food, health, housing, self-determination, culture, and development.

Our strategy to achieve carbon neutrality by 2050 addresses the three areas that together account for approximately 95% of our carbon dioxide emissions: our vehicles, our operations, and our supply chain.

Our Supplier Code of Conduct requires Ford suppliers (and their subcontractors) to establish science-based greenhouse gas reduction targets, action plans, and transparent reporting mechanisms.

Access to EVs can help provide health, economic, and mobility benefits, especially in communities that bear a disproportionate burden from climate change and air pollution.

Efforts to further decrease our water consumption continue at Ford plants around the world. We continue to integrate more water-efficient processes and technologies.

Read More

In Climate Change on p.45
In Air, Water, and Soil Pollution on p.80
In Water Resources on p.82

Fair and Decent Work

Sustainability Aspiration:
Support a diverse, equitable, and inclusive workplace where each person is valued.

Human Rights Salient Issue:
Fair and decent work encompasses a wide range of rights related to labor and working conditions. This includes the right to just and favorable conditions of work; equal, fair, and living wages; the right to collective bargaining and freedom of association; and reasonable limitation of working hours. Equal opportunity and treatment must be afforded to all workers without distinction, exclusion, or preference made on the basis of race, color, sex, religion, political opinion, national extraction, or social origin, or any other characteristic protected by the applicable law.

2023 Update:
Our We Are Committed to Protecting Human Rights and the Environment policy mandates that we "Comply with applicable laws regulating hours of work and support a living wage by providing competitive compensation and benefits that meet or exceed legal requirements."

Read More

In Human Capital Management and Diversity, Equity, and Inclusion on p.104

Forced Labor, Child Labor, and Human Trafficking

Sustainability Aspiration:
Source only raw materials that are responsibly produced.

Human Rights Salient Issue:
Forced labor practices include slavery, child labor, debt bondage, and deceptive recruitment for labor or services. It refers to circumstances where employees are exploited and deprived of freedoms, or are pressured, tricked, or threatened for financial gain by others. Human trafficking is the recruitment, transportation, transfer, harboring, or receipt of people through force, violence, fraud, or deception, with the aim of forcing them to work against their will and exploiting them for profit.

2023 Update:
Forced Labor and Ethical Recruitment
We continue to work with our suppliers to ensure that their policies align with the Ford Supplier Code of Conduct, which expressly mandates that our suppliers "neither use nor condone forced or compulsory labor in any form and do not employ any form of abusive disciplinary practices" and "follow ethical recruiting practices." We provide training to support suppliers in updating their policies to align with the Supplier Code of Conduct. Our focus is on helping all of our suppliers meet our environmental, social, and governance (ESG) commitments, build their capacity, and improve their business practices.

Our Human Rights Saliency Assessment
— continued

We are conducting additional risk assessments based on due diligence regulations. Based on identified risks, we are prioritizing our due diligence actions and taking specific actions as required in our supply chain. Our efforts include supply chain mapping, supply chain data transparency, and supplier audits, which are critical to ensure our compliance. For any concerns raised by third parties, we are utilizing our due diligence process to investigate the issue and understand our corporate and supplier involvement.

Child Labor

Our commitment to global good includes a pledge to eliminate child labor and a promise not to employ anyone under the age of 15 unless it is for a training program that clearly benefits the worker.

We have reviewed our contracted recruiting firms to ensure our hiring practices are aligned with our Global Terms and Conditions and Supplier Code of Conduct. We also have increased audits within Ford manufacturing facilities to ensure compliance with our child labor and human rights policies and expectations.

Also, we continue to audit suppliers that have been assessed as having the highest risk of human rights violations. In 2023, audits did not reveal any instances of child, forced, or involuntary labor. We continue to evolve our risk management system including continuous evaluation of our high-risk considerations.

In 2023, a media outlet raised allegations regarding potential child labor occurring in Ford's supply chain. We take these allegations seriously. Ford prohibits the use of child labor in any form and requires our suppliers to enforce similar policies. At the end of March 2023, Ford completed a comprehensive audit of the supplier mentioned in the article, including a third-party review by the Responsible Business Alliance, and no evidence of child labor was found at the supplier's facility. That said, we used the opportunity to identify and improve weaknesses in the supplier's policies and business practices, implementing electronic document verification at every stage of the hiring process. Additionally, we are conducting ongoing supplier risk assessments and audits beyond the supplier mentioned in the story. We have also strengthened our Supplier Code of Conduct to mitigate increased risks related to labor shortages coupled with high immigration.

Human Trafficking

As a global force in human rights, Ford is committed to prohibiting forced labor in our business. To that end, we are focusing our efforts on our own operations and working with suppliers to aggressively monitor and influence the behavior of our company, affiliates, and suppliers.

Our We Are Committed to Protecting Human Rights and the Environment policy commits us to preventing forced labor and human trafficking, and our Global Modern Slavery and Human Trafficking Transparency Statement outlines steps we are taking to ensure that slavery and human trafficking are not occurring in our supply chains or other parts of our business.

Through our membership in the Responsible Business Alliance (RBA) we are assessing our operations and supply chain. We have increased human rights risk assessments in both our own operations and throughout our supply chain.

Read More

In Human Rights on p.88

Harassment and Discrimination

Sustainability Aspiration:
Support a diverse, equitable, and inclusive workplace where each person is valued.

Human Rights Salient Issue:
Everyone has the right to freedom from violence and harassment at work. Harassment covers a broad range of unwelcomed behaviors that are humiliating, intimidating, or offensive in nature. Instances of harassment do not need to be intentional and they can occur as a once-off or repeatedly over a period of time. Employees have the right to equal employment opportunity. Discrimination occurs when an individual, or a group of people, is treated less favorably than another because of certain characteristics, such as race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, age, disability, or genetic information.

2023 Update:
Ford is committed to supporting and sustaining a diverse, equitable, and inclusive workplace. As we move forward, our intention is to harness the power of a talented and diverse team to help fuel our transformation and further empower Ford to better serve the diverse customers and communities where we live and work. We respect the different cultures and beliefs of our team members, customers, and the communities we serve.

We are committed to speaking up and preventing retaliation. We encourage our employees to speak up if something doesn't seem right or might violate our policies, our Code of Conduct, or the law. Ford will support and protect anyone who raises a good-faith concern and strictly prohibits retaliation against anyone for reporting a suspected violation or for assisting with an investigation.

Read More

In Human Capital Management and Diversity, Equity, and Inclusion on p.104

Health and Safety

Sustainability Aspiration:
Work toward a future that is free from vehicle crashes and workplace injuries.

Human Rights Salient Issue:
Physical and mental health and safety of employees and workers in the supply chain is one component of an adequate work environment that satisfies global and national legal standards. This includes the mitigation of occupational hazards to ensure that the likelihood of harm to employees is greatly reduced. Health and safety also includes Ford's product safety and quality and considerations of the end users' physical safety as they use and operate Ford products. This is particularly important with respect to emerging risks associated with electric vehicles.

2023 Update:
We are dedicated to creating vehicles that achieve the highest levels of safety in a range of real-world conditions and crash testing assessments. Our mission is to make product quality one of the principal reasons why customers buy Ford the first time — and every time.

The health, safety, and wellbeing of our people continues to be a top priority for Ford. Many of our internal standards go beyond applicable laws and regulations so that we can meet our commitment to protecting the safety of our workforce in all our locations.

Read More

In Product Safety and Quality on p.99
In Employee Health and Safety on p.110

Our Human Rights Saliency Assessment
— continued

Rights of Indigenous Peoples

Human Rights Salient Issue:
Indigenous Peoples populated areas before the arrival of others and often retain distinct cultural and political characteristics. Indigenous Peoples are equal to all other peoples and have the right to full enjoyment of all human rights. This includes the right to self-determination as well as maintenance, protection, and development of manifestations of their culture, whether that be through land, water, or sacred sites, and the principles of free prior and informed consent. Indigenous Peoples continue to suffer disproportionately from impacts of climate change, environmental degradation, poverty, poor access to education, and human rights violations. Over 50% of global mining projects sit on or near Indigenous Peoples' land.

2023 Update:
Ford works to uphold the rights of Indigenous Peoples throughout our value chain. We have updated our We Are Committed to Protecting Human Rights and the Environment policy to formally reflect our commitment to respecting the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in both our own business and supply chain.

As we directly source our EV battery material supply chain, we are aware of the risk mineral mining may pose to Indigenous Peoples' rights. Consequently, our Responsible Materials Sourcing Policy reflects our requirement that our raw material suppliers ensure Free, Prior, and Informed Consent of indigenous communities is pursued and obtained prior to projects or activities that may affect their lands, resources, and rights.

In addition, we require that our raw material suppliers obtain certification from the Initiative for Responsible Mining Assurance or third-party certified equivalent, which requires its members to respect Indigenous Peoples' rights and gain Free, Prior, and Informed Consent.

Ford Australia operates on the lands of the Wurundjeri Woi-wurrung people (near Melbourne), Wadawurrung people (Geelong area), and several other indigenous communities across the country.

Ford Australia developed a Land acknowledgement and partnered with contemporary indigenous artist Brad Turner in the creation of custom artwork to acknowledge and pay respect to indigenous Ancestors and Elders. Ford Australia acknowledges Aboriginal and Torres Strait Islander people as the Traditional Owners of the land where we proudly conduct our business.

Read More

In Human Rights on p.88

Impacts of EV Transition

Sustainability Aspiration:
Achieve carbon neutrality no later than 2050.

Drive human progress by providing mobility and accessibility for all.

Human Rights Salient Issue:
Ford's transition from internal combustion engines to electric vehicles creates specific risks and opportunities for the progressive attainment of human rights. This includes procedural rights risks, such as ensuring access to information and meaningful participation in decision-making for workers, suppliers, and communities affected by plant closures or other transition events.

2023 Update:
Ford recognizes that urgent action is needed to address climate change. As we transition to EVs, we're committed to working closely with local communities and stakeholders to protect the environment and to create jobs in the green economy. Supporting a just transition to a sustainable EV future takes into account the people and communities that will be impacted most by this pivotal change.

Read More

In Human Capital Management and Diversity, Equity, and Inclusion on p.104

Emerging Salient Risk: Data Privacy and Use of AI

Emerging Salient Issue:
Privacy refers to the right to have personal information and interactions protected from exposure to the public and other unwarranted private entities. This issue is particularly salient in the emerging global context of complex artificial intelligence (AI) systems that rely on the collection and usage of users' personal data. Concerns about the development of AI extend beyond issues of privacy and data rights into freedom of choice, freedom of conscience, and the bias and discrimination that may arise from input data or algorithms themselves.

2023 Update:
We have policies and procedures to address data management and protect the privacy of our employees and customers. We continue to adhere to the Automotive Consumer Privacy Protection Principles developed by the Alliance for Automotive Innovation. We are also a founding member of the Information Sharing and Analysis Center, which gathers, analyzes, and shares information to combat cyber-related threats and weaknesses.

Read More

In Data Protection, Privacy, and Cyber Security on p.132

Our Stakeholders

ESRS 2 SBM-2

Ford has a commitment to direct, open, transparent, and frequent engagement with our stakeholders.

Throughout each year, management meets with institutional investors to discuss various matters, including long-term strategy; financial and operating performance; risk management; environmental, social, and governance (ESG) practices; and executive compensation programs. We also engage with retail investors. These meetings are informative and, where appropriate, we incorporate stakeholder suggestions into our policy and strategic considerations, Proxy Statement, and communications strategy.

Highlights from 2023 included:

- Met with shareholders representing approximately 60% of our institutional equity investor base and fixed income investors holding approximately 30% of our unsecured debt outstanding, and with potential holders of our equity and debt
- Participated in 18 conferences and 14 investor events, including new financial reporting Teach In and Capital Markets Day
- Hosted two non-deal roadshows, including one focused on ESG
- Held quarterly webcast earnings calls and post-earnings sell-side calls
- Completed a broad range of phone calls, emails, and other industry events

Blue Table Forum

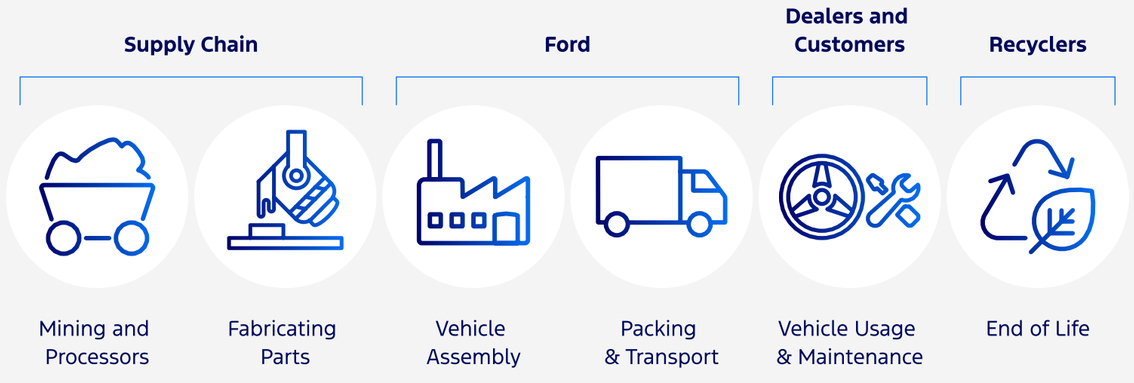
We established the Blue Table Forum in 2022. This stakeholder advocacy program is focused on creating and building a trusted community of organizational and institutional stakeholders from a diverse group of non-governmental organizations (NGOs), nonprofits and academic institutions. The goal is to initiate a dialogue around critical issues faced and how we can work together to build a carbon neutral transportation future. To date, the program has engaged over 90 organizations and 175 influential thought-leaders with regional, national, and global representation and a diverse stakeholder network of over 93 million including members, donors, volunteers, and partner organizations. Ford has also partnered with members of the Blue Table Forum to advocate for shared policy positions on greenhouse gas emissions and fuel economy standards, clean and low-carbon aluminum, electric vehicle charging infrastructure, and more.

Our Value Chain

ESRS 2 SBM-1

Ford has an extensive value chain, including over 1,600 Tier 1 suppliers and even more Tier 2+ supplier upstream, and over 8,000 dealers and countless customers and global communities downstream.

Value Chain Map



90+

Organizations

with regional, national, and global representation engaged through Blue Table Forum
(2022: 40+ Organizations)

175+

Influential Thought Leaders

across NGOs, Nonprofits, and Educational Institutions engaged through Blue Table Forum
(2022: 70+ Thought Leaders)

Our Stakeholders
— continued

ESRS 2 SBM-2

Key Stakeholders

Stakeholder	Importance	How we engage
Communities Communities where we live and work and where we partner with businesses, schools, nonprofit service organizations, and government organizations are critical to our future. Through our Community Relations team, we focus on the communities in which we have manufacturing facilities. We engage with these communities in multiple ways to manage the impact Ford has on the community and understand the community sentiment. Through our philanthropic arm, Ford Fund, we've been giving back and building strong communities for more than 70 years. Ford Fund co-creates and invests in partnerships and programs across three impact areas: essential services, education for the future of work, and entrepreneurship. Working across the Ford network in the U.S. and around the world, we provide access to resources and opportunities that build equity, help make people's lives better, and create opportunities for growth.	Communities are the lifeblood of any society or culture. By engaging with our communities, we can help people in need, understand what our customers want, and strengthen the bonds that make us a viable and relevant business.	• Neighborhood Advisory Councils • Interactions with governments and regulators • Participation in and Sponsorship of Community Events • Membership associations • Dialogue with non-governmental organizations • Partnerships with community leaders, grassroots and nonprofit organizations, and local Ford dealers • Employee volunteerism, grantmaking, and philanthropic initiatives through the Ford Fund • Government relations — supporting policy that benefits our communities
Customers Our relationship with our customers is at the core of our company. We seek to engage our customers in new and inclusive ways to get deeper knowledge of their wants and needs. We want to go above and beyond to deliver products and services that customers can't live without and develop strong customer relationships that can last a lifetime. Together with our dealers, we are creating a better purchase and ownership experience for our customers to help build life-long trust and satisfaction. Customers engage with the company face-to-face in our dealerships, over the phone, on our websites and social media, at our contact centers, and inside our vehicles. And through our internal customer experience measurement platform and market research, we listen and respond to customer feedback, increasing our understanding of their needs, concerns, and preferences, and providing actionable insights to our dealers and touchpoint owners to drive enhanced experiences.	Without customers, Ford would not exist, so it's vital that we do everything we can to nurture these relationships and provide the products and services they not only want and need, but can't live without.	• Customer experience measurement platform • Market research • Loyalty and membership rewards programs • Dealer interactions • Ford service Pickup & Delivery and Mobile Service experiences • FordPass app • Ford.com website • Ford Owners magazine • Friends of Ford
Dealers Dealers (sales and service people) are often the first Ford representatives that our customers come in contact with. We rely on their expertise and dedication, actively engaging and collaborating through Dealer Councils and roundtables, as well as the creation of advertising and public service announcements. An important touchpoint for us is the Dealer Attitude Survey, which provides us with useful information and insights. To honor their excellence, we conduct our annual Salute to Dealers awards.	Dealers are an essential part of the Ford family because they are the most direct link between our products and services and our customers. Dealers are typically the only connection customers have with Ford.	• Intranet communications • Brand sales and service representatives • Brand Dealer Councils • Dealer roundtables • Ford Guest Experience dealer training • President's Circle • Salute to Dealers • Advertising and public service announcements • Dealer Attitude Survey

Our Stakeholders
— continued

ESRS 2 SBM-2

Stakeholder	Importance	How we engage
Employees Employees are Ford's number one asset. We can only operate successfully through their hard work and dedication — from research scientists and truck drivers to production engineers and accountants. To be in touch with our employees around the world, we use every available tool and opportunity, including our intranet platform, social media sites, facilities visits, and business meetings (online and in person), and executive Q&A sessions/ Town Halls with senior management. We strengthen employee relations by maintaining an ongoing dialogue with union representatives and through joint labor-management committees. And we gain valuable insights through employee surveys. The initiatives implemented by our Global Diversity, Equity, and Inclusion (DEI) Office in collaboration with our 10 Employee Resource Groups are also important catalysts for fostering a culture of inclusion.	Ford employees run the organization at every level. Their strength, commitment, and dedication, and their emotional connection to the company, can't be judged only as assets with a monetary value. They are Ford's heart and soul.	• Intranet site • Monthly Town Halls with executive leadership • Integrated Sustainability and Financial Report • Social media applications • Union representatives • Joint labor–management committees • Webcasts, videos, blogs, and executive Q&A sessions with senior management • Listening sessions • Employee surveys • Global DEI office led Employee Resource Groups (ERGs) • Test drive and vehicle reveal events • Social Action Council
Investors, Analysts, and Shareholders For our institutional and individual investors — our shareholders — to believe that Ford will continue to succeed financially, they tend to rely on the opinions and research done by financial analysts who study the company in great detail. To make sure we communicate effectively with these financial stakeholders, we provide a broad range of materials, including our Integrated Sustainability and Financial Report, Proxy Statements, our annual report on Form 10-K (SEC filings), and quarterly earnings releases. These published documents provide vital information on the company that supplement our annual shareholder meetings, investor conferences, and annual ESG roadshows.	Investors, analysts, and shareholders are instrumental in providing capital to maintain and grow our business. And since they are profit oriented, they insist that capital is invested properly and funds are managed accurately.	• Investment community forums • Quarterly earnings communications • Annual shareholders' meeting • Integrated Sustainability and Financial Report • Investor website • Proxy Statement • SEC filings (e.g., 10-K, 10-Q, 8-K) • Sustainable Financing Framework • Sustainable Financing Report • Ratings and rankings
Suppliers Thousands of businesses, large and small, provide Ford with the materials, technologies, and services that we need to produce market-leading, cost-effective vehicles. From engine components to recycled fabric for car seats, we rely on suppliers from all over the world and maintain stringent standards and rules to make sure our products are of the highest quality. In addition to holding regular meetings with individual suppliers as required, we also share best practices to help them with everything from improving workplace safety, treating their employees fairly and without prejudice, and reducing their impact on the environment. To strengthen these initiatives and relationships, we are also supporters and members and of a wide range of external supplier organizations, coalitions, and associations.	Suppliers play a huge role at every stage of the product life cycle, from sourcing raw materials to helping ramp up production, thereby making a significant contribution to our value, growth, and development.	• Supplier Code of Conduct • Global Terms and Conditions • Top Supplier meetings • Manufacture 2030 • Supplier quality roundtables • Supplier training • Supplier Diversity Development Networking • External supplier organizations and partnerships • Third-party assurers including the Initiative for Responsible Mining, Responsible Minerals Initiative, and Responsible Business Alliance • Drive Sustainability Self Assessment Questionnaires • Responsible Business Alliance Worker Voice Platform

Our Stakeholders
— continued

ESRS 2 SBM-2

Ceres Stakeholder Engagement

As in recent years, a stakeholder team selected by Ceres provided recommendations for our future reporting. Representing a range of constituencies and expertise, the most recent Ceres stakeholder engagement convened on January 31, 2024. Ford's responses to a select number of their recommendations are summarized below.

Ceres Recommendation:
Expand charging infrastructure by strengthening strategic partnerships with utility companies and relevant stakeholders.

Ford Response:
Collaboration plays an essential role as we work to strengthen the charging infrastructure. That's why we've joined the U.S. Joint Office of Energy and Transportation to launch the National Charging Experience Consortium (ChargeX Consortium), a new effort to rapidly develop solutions to improve EV charging across the U.S.

This cross-industry group of automakers, charging providers, utilities, and the Department of Energy (DOE) national laboratories aims to drive innovation and universal enhancements around current and future public charging infrastructure and the entire customer experience.

Read More

In Electric Vehicles, Batteries and Charging Infrastructure on p.34

Ceres Recommendation:
Explore and invest in opportunities for the second-life applications and recycling of EV batteries and develop the necessary infrastructure to support the circularity of battery usage.

Ford Response:
End of life vehicles are a crucial part of our supply chain, and we are committed to increasing battery recycling. To further these efforts, we support various battery recycling companies, including with letters of support for U.S. DOE grants.

We have also begun utilizing collection points to reduce inefficiencies in shipping one-off, end of life batteries across the country — this allows us to ship full-truck loads reducing our environmental footprint. End of life batteries are sent to recyclers who are dedicated to recovering the underlying raw materials with the intent of reintroducing these materials into the broader battery supply chain industry.

Read More

In Circular Economy and End of Life on p.76

Ceres Recommendation:
Establish and implement a policy on Indigenous Peoples' Rights and Free, Prior, and Informed Consent (FPIC), in accordance with the UN Declaration of the Rights of Indigenous Peoples.

Ford Response:
Ford works to uphold the rights of Indigenous Peoples throughout our value chain. We have updated our We Are Committed to Protecting Human Rights and the Environment policy to formally reflect our commitment to respecting the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in both our own business and supply chain.

Our Supplier Code of Conduct and Responsible Materials Sourcing Policy reflect our requirement that our raw material suppliers ensure Free, Prior, and Informed Consent of indigenous communities is pursued and obtained prior to projects or activities that may affect their lands, resources, and rights.

In addition, we require that our raw material suppliers obtain certification from the Initiative for Responsible Mining Assurance or third-party certified equivalent, which requires its members to respect Indigenous Peoples' rights and gain Free, Prior, and Informed Consent.

Read More

In Human Rights on p.88

Ceres Recommendation:
Utilize Ford's influence and resources to support and enhance small-scale mining operations, encouraging them to adopt and advance sustainable and responsible practices.

Ford Response:
Ford supports Better Mining, an on-the-ground program to proactively identify risks and improve conditions in nine artisanal and small-scale cobalt mine sites in the Democratic Republic of the Congo. This program contributes to building the capacity of legal artisanal and small-scale mining cooperatives and sector, supporting state services to help achieve responsible practices in the sector, and meet due diligence requirements. Capacity building will also help mining communities meaningfully participate in global supply chains.

In 2023, this effort led to tangible risk management improvements, including the establishment of an accessible grievance mechanism for the artisanal and small-scale mine sites being monitored, the prevention of incidents of child labor and work by individuals without adequate personal protective equipment, as well as the improvement of work and safety conditions on mine sites.

Read More

In Human Rights on p.88

Ceres Recommendation:
Enhance battery safety measures in EVs to contain isolated incidents and prevent escalation, while also reinforcing overall vehicle design to ensure passenger safety even in the event of component failures.

Ford Response:
Ensuring the safety and quality of EV batteries is crucial to building trust in our fleet of electric vehicles. Every Ford EV includes a battery quality operating system. Quality checks and tight process controls are integrated throughout the battery cell manufacturing and battery pack screening during vehicle assembly. Once a vehicle is built, Ford leverages cloud-based vehicle monitoring and detection and can communicate with connected customers if a voltage anomaly is detected. Ford also provides high voltage safety publications including a Workshop Manual for vehicle technicians and an Emergency Responders Guide for first responders.

Ford EVs are subjected to crash testing that far exceeds the stringency of regulatory requirements. For example, we conduct front, side, and rear impact crash tests at 5mph above the speeds required by safety regulations, which translates to increased impact energy and severity as compared to what is required by law.

Ford has executed a number of battery safety projects funded by the U.S. Department of Transportation National Highway Traffic Safety Administration and the U.S. Department of Energy to support governmental and industry priorities in electrified vehicles. We are also sponsoring and funding precompetitive battery safety research projects related to EV and battery safety.

Read More

In Product Safety and Quality on p.99

Products and Services

In this section:

Products and Services Overview

We are on a journey to transform our company by building sustained, always-on customer relationships through vehicles, software, and services that are better for the planet, make life easier — and that people won't want to live without.

Building an Profitable and Efficient EV Business

Electric vehicles (EVs) will be an important part of our future. We are focused on expanding our EV offerings, building a profitable EV business and a flexible industrial base for EVs that aligns capital allocation with customer demand. We are:

- Electrifying our icons, including Mustang Mach-E, F-150 Lightning, and E-Transit and adding the electric Explorer for Europe to our first generation EV lineup in 2024
- Developing next-generation EVs with a step-function improvement in cost competitiveness and profitability
- Reimagining how our vehicles are built, creating an all-new clean manufacturing ecosystem
- Expanding our charging network to remove a key barrier to EV adoption

A Diverse Product Portfolio

We are continuously improving our internal combustion engine (ICE) powertrains to achieve better fuel economy while meeting increasingly stringent emissions criteria, while also broadening our hybrid powertrain offerings to give customers more options on the path to carbon neutrality.

Customers Come First at Ford

Everything we're doing is centered on what customers want and need, showing them the benefits of EVs, offering lower-emission options, and introducing connected services to enrich their lives. We've made a commitment to deliver world-class quality and an effortless experience in every segment in which we compete.

Our Sustainability Aspirations

Climate Change: Achieve carbon neutrality no later than 2050

Access: Drive human progress by providing mobility and accessibility for all

UN Sustainable Development Goals

We are contributing to the following UN Sustainable Development Goals through actions outlined in this chapter:

Customer Focused Business Segments

ESRS 2 SBM-1

Aspirational Goals

Climate Access

Salient Human Rights Issues

EV Transition

UN Sustainable Development Goals

Ford+ is our plan for growth and value creation in an era of unprecedented change for our company and our industry. It enables us to thrive at the intersection of great vehicles, iconic brands, innovative software, and high-value services.

Central to unleashing the full potential of this plan was standing up three distinct but interconnected customer-focused business segments in 2023 — Ford Blue, Ford Model e, and Ford Pro. This allows Ford to offer broad choice to customers across gas, hybrid, and electric vehicles as we move toward carbon neutrality. The structure is already paying off with increased focus, accountability, disciplined capital allocation, and the ability to attract talent. It also gives us the speed and flexibility to adapt to the evolving needs of our customers.

In 2023, we also established Ford Integrated Services, a new team that will create and market software-enabled customer experiences across our business segments, further accelerating our Ford+ transformation and helping us capture new revenue streams.

Read More

In Human Capital Management and Diversity, Equity, and Inclusion section on p.104

Ford Blue

Ford Blue leverages the strength of strong brands such as Mustang, Bronco, and Raptor with durable pricing power and will be introducing a wave of new products: the new F-150, the Ranger, a brand-new Explorer and Expedition, and Lincoln Navigator and Aviator.

In Europe, we are bringing out new versions of Puma and Kuga, our high-volume gas and hybrid SUVs. And the Ranger pickup and our Everest SUV continue to gain share in international markets. We believe Ford Blue will be a strong and a growing business for years to come.

Read More

In ICE and Hybrid Vehicles on p.38

Ford Model e

EVs are here to stay, customer adoption is growing, and their long-term upside is central to Ford+. We are committed to developing and delivering compelling, software-defined EVs at scale — including trucks, vans and SUVs in segments where we are strong, as well as a new generation of smaller, more affordable electric vehicles.

As we do so, we're building on a strong EV foundation. Our electric vehicle lineup continues to generate huge demand as reflected in our status as number 2 in EV sales in 2023[7] for the second year in a row. Sales volumes of the F-150 Lightning pickup and Mustang Mach-E SUV both were up year over year with the Lightning the top-selling electric pickup and the Mach-E the third most popular EV of any type in the U.S. for 2023.

Model e is also deep into development of the electric architecture and digital platform which will provide the foundation for rapid innovation across all future Ford vehicles.

Ford Pro

Ford Pro is a one stop shop for commercial businesses with vehicles, software, charging, financing, and services designed to meet the needs to small, medium, large, and government fleets. Ford Pro helps accelerate productivity for commercial and government customers by lowering their total cost of ownership and reducing fleet downtime with a leading lineup of specialized gas, hybrid, and EVs.

It's a massive driver of our growth and profitability. The network of thousands of local upfitters across Europe and North America, purpose-built design, and BUILT FORD TOUGH work trucks and vans like Super Duty, Ranger, and Transit, all, serviceable by Commercial Vehicle Centers and Transit Centres, help customers get the job done and stay on the road. In addition to the E-Transit with enhanced range, we are preparing to launch the new E-Transit Custom, E-Tourneo Custom, Transit Connect plug-in hybrid (PHEV), and Tourneo Connect PHEV in Europe.

When it comes to software and services, Ford Pro is the tip of our always-on digital spear. Customers know and trust our vehicles, and we're building on this with software-driven services that provide businesses with data insights, vehicle access, control and functionality, and charging and fleet management. This helps them drive productivity and efficiency in their fleet operations.

Ford Pro is helping companies and governments around the world accelerate their sustainability commitments though electrification. For example, the United States Postal Service announced in February 2023 that it will purchase 9,250 E-Transit vans as it electrifies the country's largest federal fleet.

Read More

In Connected Vehicles and Digital Services on p.40

Customer Focused Business Segments
— continued

ESRS 2 SBM-1

Building on Our Strengths in Europe

Ford is the number one commercial vehicle brand in Europe, leading the industry for the past nine years. Ford in Europe is taking the next steps in the transformation of our business in Europe, responding to rapidly changing market conditions and a growing field of electric vehicle competitors entering the market. This transformation is designed to continue to deliver on our customers' expectations of outstanding vehicle design and quality and increasingly serve customers with connected vehicle technology and services.

These actions will enable us to profitably compete with a new line-up of iconic passenger vehicles, while also extending Ford Pro's position as the best-selling brand in the commercial vehicle sector.

The new strategy aligns our product development organization and administrative functions in Europe, with a smaller, more focused, and increasingly electric product portfolio, creating a leaner, more competitive cost structure for Ford in Europe.

To meet the evolving needs of commercial customers around the globe, we have established a global commercial vehicle Centre of Excellence in Dunton, UK, focused on helping businesses accelerate productivity and sustainability with a range of world-class all-electric vehicles supported by Ford Pro's ecosystem of software and services.

Our strategy to offer all-electric fleet vehicles in Europe by 2035 is unchanged and bolstered by our commitment to introduce new passenger and commercial EVs to Europe by 2024. We are embracing the incoming technical standard for EVs (UN Regulations 100.3) because it is consistent with our internal philosophy to deliver safe, high-quality vehicles to customers around the globe.

Ford in Europe will continue to invest in the design and development of electric passenger vehicles, meeting consumer demand while at the same time targeting carbon neutrality across its European facilities, logistics, and key suppliers by 2035.

Ford in China

Our strategy to turn our business around in China is gaining traction. The restructuring of our EV business there is nearly complete, and the internal combustion engine business is now profitable. We are now expanding China's role to a profitable export hub. We've exported a record number of vehicles from China to markets like Mexico, South America, and Asia, and there is significant opportunity ahead.

The China market is extremely competitive, but we believe we can succeed by partnering where it makes sense, and competing in very narrow segments where we can clearly win, like commercial vehicles, off-road vehicles, large SUVs, and Lincoln.

Number
2

in EV sales in North America, for the second year in a row

Number
1

commercial vehicle brand in Europe

Electric Vehicles, Batteries, and Charging Infrastructure

ESRS 2 SBM-1

Aspirational Goals

Climate Access

Salient Human Rights Issues

EV Transition

UN Sustainable Development Goals

We are focused on building a profitable EV business that aligns manufacturing capacity and capital allocation with customer demand.

2023 has been a year of challenges — and opportunities. From the evolution of the EV market, to new global competitors and technology disruptions, our business is always subject to change. Ford will continue to adapt to grow our EV business.

The Electric Era is Here

We are in the midst of implementing an ambitious, comprehensive plan to make the transition to an electric lifestyle — or commercial fleet — easy.

We started by electrifying our most iconic products — the Mustang, F-150, and Transit — which quickly helped elevate Ford to the number 2 EV brand in the U.S. in 2022 and again in 2023[3]. In addition to offering zero-emissions versions of our most popular vehicles, we are harnessing electrification to deliver more of what customers love about them: performance, capability, and productivity.

- The electric Mustang Mach-E brings the 0-60 mph thrills Mustang is famous for, in a sleek package brimming with the latest technology and software.
- New for 2024, we are introducing the first rally-inspired Mach-E — the Mustang Mach-E Rally. This machine boasts a tuned version of the Mustang Mach-E GT powertrain, with a two-motor layout targeting at least 650 lb.-ft. of torque and 480 horsepower.[8]
- The F-150 Lightning brings stunning innovation, technologies and capabilities to the F-Series, America's best-selling truck[3], combined with the power, payload, and towing capability that is the hallmark of all Built Ford Tough trucks.
- The E-Transit — an electric version of America's best-selling van[3] — is smart and connected, and will arm fleet owners with technology solutions like a high-speed in-vehicle data architecture and cloud-based services to offer new ways to optimize fleet performance. New for the 2024 model year, E-Transit with enhanced range offers 26-32% increase in range for work requiring longer distances and new use cases such as refrigeration.
- The European electric Explorer offers an outstanding digital experience with a fully loaded infotainment system, 15-inch movable screen, wireless app integration, and advanced driver assistance, coming in 2024.
- The new E-Transit Custom is the EV successor to Europe's best-selling van with uncompromised capability, new customer experiences, and full Ford Pro support.
- The E-Tourneo Custom, Transit Connect plug-in hybrid (PHEV) and Tourneo Connect PHEV further expand Ford Pro's commercial electric vehicle portfolio in 2024 and all are backed by Ford Pro's connected services for unmatched productivity.

A key part of Ford's goal to drive the adoption of electric vehicles is to target the large market for fully electric commercial vans and trucks. Ford is planning to bring the benefits of electric vehicles to these customers with an accessible price point, improved productivity, and lower cost of ownership.

Developing the Next Generation of EVs

The ultimate success of our EV transition will be driven by our future generation products designed from the ground up. As we develop these next-generation products, we're aiming to eliminate the compromises customers may face in choosing an EV. At the same time we're leveraging EVs' inherent advantages to make incredible products that customers are waiting for today.

Our next-generation vehicles will be cost-optimized and guided by the learnings of our first-generation vehicles that are currently available. Not only must these products be breakthrough in efficiency, but they must also be packed with innovation.

To support this, two years ago, we established a small, talented team that is developing a smaller, more affordable platform for future electric vehicles. This team is creating flexibility for multiple silhouettes and form factors for retail and commercial customers with an intense focus on cost competitiveness and efficiency.

Smaller EVs will play a role in our strategy. They are attractive to scale for a larger number of customers and show them all the benefits that EVs can provide — from lower operating and maintenance cost over the life of the vehicle, to zero carbon dioxide emissions.

The development of our next-generation EVs is supported by a flexible industrial footprint; the redesigned Cologne Electric Vehicle Center opened in 2023, BlueOval City development is on track in Tennessee, and we're building the country's first automaker-backed and wholly owned and operated lithium iron phosphate (LFP) battery plant, BlueOval Battery Park, in Michigan.

Electric Vehicles, Batteries, and Charging Infrastructure
— continued

ESRS 2 SBM-1

New Markets and Models for the F-150 Lightning

The F-150 Lightning went global for the first time with entry into Norway, the world's most advanced electric vehicle market, where 82% of new car sales are electric.

In the U.S., a new F-150 Lightning model — F-150 Lightning Flash™ — is a tech-forward offering that brings together most of current customers' favorite features at a more compelling price point. The F-150 Lightning Flash expands on the XLT model line by adding in-demand tech capabilities, including an extended-range battery, which has a targeted EPA-estimated range of 320 miles, available Ford BlueCruise hands-free highway driving, and a standard 15.5-inch touchscreen for seamless interactions and navigation. The F-150 Lightning Flash customer values an EV powertrain and advanced tech features paired with a more accessible price point and the F-150's proven ability to handle anything, whether people, pets, or gear.

Batteries

A Second Battery Chemistry

As part of our company's commitment to making EVs more affordable and accessible to customers, we are introducing lithium iron phosphate (LFP) batteries to some of our EV lineup. Durable LFP batteries, our second battery chemistry, tolerate more frequent and faster charging while using fewer high-demand, high-cost materials.

As we scale EV production, introducing lower-cost LFP batteries at scale will help us contain or even further reduce EV prices for customers, while allowing us to produce more electric vehicles and offer more choices to new EV customers.

LFP battery technology also helps reduce reliance on critical minerals such as nickel and cobalt and is in line with our work to create an EV supply chain that upholds its commitments to sustainability and human rights.

BlueOval Battery Plant

In support of our commitment to this second battery chemistry, we are building the country's first automaker-backed and wholly owned and operated LFP battery plant, called BlueOval Battery Park Michigan. We are right-sizing this project as we balance investment, growth, and profitability.

Charging Network

Creating a seamless and simple public charging experience is key to accelerating EV adoption and providing customers with range confidence.

Customers in North America have more options than ever before — and the number continues to grow. Our BlueOval™ Charge Network in North America is growing by 25%, bringing the new network total to more than 111,000 chargers.[9]

Customers can also access chargers from Francis Energy, Blink, and Red E across the U.S. and Canada with embedded charger routing and simple payment options via FordPass or Ford Pro Intelligence. These three providers bring more than 10,000 new chargers to the network, including more than 550 new DC fast chargers.

Ford EV customers have access to more than 15,000 Tesla Superchargers across the U.S. and Canada. Mustang Mach-E, F-150 Lightning, and E-Transit customers will be able to access the Superchargers via an adapter and software integration along with activation and payment via FordPass or Ford Pro Intelligence. In the future Ford will produce next-generation electric vehicles with the North American Charging Standard (NACS) connector built-in, eliminating the need for an adapter to access Tesla Superchargers.

The BlueOval Charge Network provides one stored payment account through the FordPass App, or Charge Assist App (soon to be "Public Charge") in the vehicle's touchscreen, eliminating the need for on-site credit card use. Once owners have created an account and activated Plug & Charge, Tesla Superchargers will support Plug & Charge with Ford EVs. This means customers simply have to plug in and charging will automatically start with charges managed through FordPass.

In Europe, the BlueOval Charge Network provides customers with access to over 500,000 plugs. Retail customers can find charging stations and pay for charging using FordPass. Larger fleets can access Ford Charge Assist via SYNC in Europe and North America.

Ford continues to strengthen its EV charging experience in China. Ford Mustang Mach-E owners can access a network of 660,000 public charging plugs from 20 charging operators in China — including 470,000 fast-charging plugs and public charging sources across 350 cities.

Home Charging

EV customers in North Carolina will have chance to save money, increase the use of renewable energy and support electric grid resiliency while charging at home, thanks to a new pilot program we've launched with Duke Energy. The EV Complete Home Charging Plan pilot aims to bring more certainty to the cost of EV home charging by providing a low, fixed monthly rate for electricity used in exchange for allowing Ford and Duke Energy to manage charging times to best support the electric grid.

The pilot program will help support electric grid resiliency by seamlessly managing selected customers' home charging schedules when there is less strain on the grid and when more renewable energy is readily available.

In Europe, we're partnering with industry innovators to deliver new energy experiences that will enable Ford customers to charge their EVs using energy tariffs specifically designed to enhance the ownership experience. Developed to support Ford's expanding EV line-up, the opportunities will initially be available from early 2024 to drivers of Ford Mustang Mach-E, followed by the new all-electric Ford Explorer when it arrives later in the year.

A newly developed Dynamic Charging feature is designed to enable Ford EVs to communicate with the energy providers' intelligent supply networks. As a result, owners of compatible models will be able to plug in their vehicle, input their desired state-of-charge and departure time using a smartphone app and simply get on with their day — safe in the knowledge that their battery will be automatically charged using tariffs designed to help maximize cost savings and the use of renewable energy.[10]

Energy Services:

Ford's Vehicle-to-Grid Technology Can Help Make the Grid More Resilient

Ford's electric vehicles are unlocking new features and services for our customers that were never possible. Electric vehicles can utilize the stored energy in their batteries to power homes.

The first of these features, Intelligent Backup Power, was introduced in the F-150 Lightning. This technology allows the vehicle's battery to power a home through bidirectional power, turning the F-150 Lightning into an enormous power source that can help power a home during an outage for 3 full days — up to 10 days with rationing.

Later this year Ford will introduce Intelligent Power, which goes beyond using EVs as simply backup power. This new capability will allow Ford EVs, starting with the F-150 Lightning, to help power homes during high-cost, peak-energy hours, while taking advantage of low-cost, overnight rates to charge the vehicle.

This give-and-take of energy between the EV and the home will enable customers to charge their vehicles with inexpensive energy, then use that energy to power their homes during expensive peak hours, potentially saving money while strengthening the grid. In fact, in the near future Ford EV owners could be able to actually earn money by selling energy from their vehicles back to the grid during peak usage times.

In this emerging energy services space, customers win when companies collaborate. That's why we are partnering with utility companies — as well as other automotive companies — to advance energy and grid services quickly and responsibly, allowing EV owners to save on energy costs while helping to strengthen the grid.

While some have expressed concern that electric vehicles will be a strain on the power grid, we see EVs as one of its greatest resources.

Electric Vehicles, Batteries, and Charging Infrastructure
— continued

ESRS 2 SBM-1

Collaborating to Strengthen Charging Infrastructure
Collaboration plays an essential role as we work to strengthen the charging infrastructure. That's why we've joined the U.S. Joint Office of Energy and Transportation to launch the National Charging Experience Consortium (ChargeX Consortium), a new effort to rapidly develop solutions to improve EV charging across the U.S.

This cross-industry group of automakers, charging providers, utilities, and the Department of Energy national laboratories aims to drive innovation and universal enhancements around current and future public charging infrastructure and the entire customer experience. The consortium will immediately focus on payment processing, user interfaces, and vehicle-to-charger communication, as well as work toward collaborative diagnostic data sharing to further support solutions for all stakeholders.

Commercial Charging
Ford Pro is laser focused on delivering reliable charging solutions that meet the needs and EV use cases of its commercial customers including home, depot, and public charging with software to efficiently manage it. To support this, Ford Pro has added new charging hardware to its suite of end-to-end solutions to help make it easier for commercial customers to transition their fleets to electric. The new Series 2 AC Charging Station 80 amp and expanded DC Fast Charger options are designed for commercial vehicle use and packed with new features. Coupled with Ford Pro's charging management software, Ford Pro provides a fully integrated solution that simplifies EV charging for both Ford and non-Ford electric vehicles.

Ford Pro Chargers work with Ford Pro's smart charging software to help ensure vehicles are charged when customers need them. The integrated software and hardware solution helps fleet managers optimize how, when, and where EVs are charged along with utility reimbursement reporting, important for home-based drivers.

Using Ford Pro Charging solutions can also allow customers to charge more vehicles at a given time. The software also tracks performance and provides fleet managers with insights like kWh consumption, charge speed and distance to empty, and helps optimize total cost of ownership.

Businesses can also help lower their total cost of ownership through understanding the various incentives available to them. To help ease confusion, Ford Pro has compiled commercial incentives to make it easy to find available tax credits on EVs, charging equipment, and charging installation costs at https://www.fordpro.com/en-us/incentives/. We have also launched a program with professional services firm Ernst & Young LLP (EY US) to help give customers no-cost information to learn about IRA tax credits for which they may qualify.

Transforming our Industrial System to Expand EV Production

We are taking a diverse strategic approach to transforming our industrial system to expand EV production by reimagining existing manufacturing sites like those in Cologne, Germany.

Cologne EV Center Paves the Way to the Future
The opening of the Cologne Electric Vehicle Center in Germany represents a major step along our journey to carbon neutrality and our electric future. This high-tech production facility will build our new generation of electric passenger vehicles for millions of European customers.

We have transformed our historic plant in Niehl, Cologne — first founded in 1930 — as part of a $2 billion investment which represents a major vote of confidence in skilled German manufacturing jobs and the future of automotive production in Europe.

Designed to be highly efficient, the 125-hectare site is equipped with a brand-new production line, battery assembly, and state-of-the-art tooling and automation. Following the successes of Mustang Mach-E, E-Transit, and F-150 Lightning, we unveiled our fourth EV globally, the electric Explorer, which will be the first electric vehicle to be produced in Cologne, followed by a second electric vehicle, a sports crossover.

At the core of the Cologne EV Center are digital advancements that connect machines, vehicles, and workers. Implementing self-learning machines, autonomous transport systems, and big data management in real time are integral to continuously improving the efficiency of the production processes, assuring high quality. In addition, not only will new cognitive and collaborative robots, and augmented reality solutions support plant employees, but they will also increase efficiencies and data exchange with other plants enabling them to share experiences in real time.

Ford's First Carbon neutral Assembly Plant

Once fully operational, the Cologne EV Center will be independently certified as carbon neutral. This independent certification will be audited and reconciled on a regular basis against purchasing high-quality carbon offsets for any remaining emissions. As Ford's first carbon neutral assembly plant to open globally, the Cologne EV Center supports our commitment to reach carbon neutrality across our entire European footprint of facilities, logistics, and direct suppliers by 2035.

Read More

In Climate Change on p.45

Ford Pro and Xcel Energy

Ford Pro and Xcel Energy, a national leader in clean energy, announced in December a unique collaboration to support the deployment of 30,000 EV charging ports in Xcel Energy service territories across the U.S. by 2030. Most upfront costs will be offset by Xcel for qualifying business fleet customers[11]. Ford Pro will offer its suite of end-to-end charging solutions to Xcel Energy business customers as part of the effort.

The 30x30 collaboration is an innovative approach between a vehicle manufacturer and utility provider to streamline the process for businesses to acquire EV charging and support. This novel approach provides energy and utility companies a template for future collaboration, helping them meet the EV charging infrastructure needs of businesses in their service areas.

North American EV Production
BlueOval City, our all-new mega-campus in West Tennessee, is taking shape and preparing to build our next-generation electric truck. This is an opportunity to revolutionize America's truck by combining a century of know-how with world-class electric vehicle, software, and aerodynamics talent.

ICE and Hybrid Vehicles

ESRS 2 SBM-1

Aspirational Goals

Access

Salient Human Rights Issues

EV Transition

UN Sustainable Development Goals

Ford Blue is a vibrant global industrial powerhouse with iconic vehicles and a runway for profitable growth.

Internal combustion engine (ICE) vehicles remain an important part of the Ford story. ICE volumes will decline as EV adoption increases, and we embrace that reality. However, the pace of EV adoption will vary by segment and geography with Europe and China transitioning faster than the U.S., our biggest market. Consequently, we expect strong U.S. ICE and hybrid sales well into the next decade.

We are committed to continuously improving our ICE powertrains to achieve better fuel economy while meeting increasingly stringent emissions criteria. 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. For those who want the range assurance of an ICE and lower emissions, we have Escape and Lincoln Corsair plug-in hybrids, and F-150 and Maverick full hybrids.

The U.S. EPA and Department of Energy website, www.fueleconomy.gov, shows that the 2023 Ford Maverick hybrid front-wheel drive pickup could reduce tailpipe emissions by 102 grams of CO_2 per mile (1.5 metric tons[12]) and save drivers an estimated 143 gallons of gasoline per year[12] compared to the 2023 Maverick ICE front-wheel drive pickup truck. Similarly, the 2023 Ford F-150 3.5L hybrid 4-wheel drive pickup could reduce tailpipe emissions by 89 grams of CO_2 per mile (1.3 metric tons[12]) and save drivers an estimated 118 gallons of gasoline per year[12] compared to the F-150 3.5L ICE 4-wheel drive pickup truck.

We also have a wave of new products coming: the new F-150, a brand-new Explorer and Expedition and Lincoln Navigator and Aviator. In Europe, we're bringing out new versions of Puma and Kuga, our high-volume gas and hybrid SUVs. And the Ranger pickup and Everest SUV continue to gain share in international markets.

We have been producing hybrids for 20 years, and remain committed to building hybrids for the foreseeable future. Hybrids will play an important role during the transition to EV, particularly in markets where the EV infrastructure is not mature. Consequently, we're broadening our hybrid powertrain offerings.

Diesel Engines

Modern diesel engines can offer reduced carbon dioxide and nitrogen oxide emissions and fuel consumption compared to their predecessors. In fact, they can achieve 20–30% better fuel economy than comparable gasoline engines in specific markets and segments, such as passenger vehicles, light commercial vehicles, and heavy-duty vehicles.

As we move toward electric vehicles, we continue to optimize these benefits in our EcoBlue and Power Stroke offerings to improve fuel economy and reduce emissions.

Advanced Transmissions and Drivelines

We continue to optimize our transmissions to improve fuel economy and emissions. Highly efficient eight-, and ten-speed planetary transmissions have been widely deployed across our vehicles and the volume of hybrid electrified transmissions continues to increase. Our transmission team has shifted focus to design and develop innovative power unit (electric drive unit) technologies and features for electrified vehicles.

Product Innovation:

How North America's Favorite Truck is a Model of Sustainability Innovation

The Ford F-Series truck is America's best-selling pickup for 47 years. Whether our customers use their truck for work or recreation, every feature is engineered for a specific goal — to help make easy work out of the hardest jobs while providing exceptional comfort and style.

Ford has been on a decades-long mission — and invested billions of dollars — to make the F-Series more sustainable while also improving its power and performance. No tradeoffs necessary.

Here are 10 ways that the F-Series has pushed the envelope on efficiency and sustainability, while keeping its title as America's Favorite Truck.

1 — Sustainable Manufacturing Practices
Ford's Dearborn Truck Plant, where many F-Series trucks are assembled, is a model of sustainable manufacturing. The facility is equipped with a green "living roof" to reduce rainwater runoff. Closed-loop aluminum recycling to help reduce the time, cost, and energy required to return it to the plant as new material. And initiatives are in place that have dramatically reduced waste going to landfills.

2 — EcoBoost Engine Technology
Our innovative 3.5-liter EcoBoost engine combines turbocharging, direct injection, and a streamlined design to reduce weight and improve fuel efficiency — while delivering all the power that our customers demand.

3 — Ten-speed Transmissions
Ford was the first truck manufacturer to offer — and then standardize — the use of ten-speed automatic transmissions in full-size pickups. The additional gears allow the truck to operate the engine at peak efficiency, reducing fuel consumption.

4 — Aluminum Body Construction
We changed the F-Series' body from steel to military-grade aluminum alloys, reducing the truck's weight by about 700lbs. This improved fuel efficiency and lowered emissions, while allowing us to expand the payload and increase towing capacity.

5 — Surprising Sustainable Materials
We use many unexpected recycled materials in the F-Series: seat fabrics made from recycled plastic bottles; sound deadening made from denim scraps; underbody covers made from used tires; and wiring harnesses made from rice husks, to name just a few.

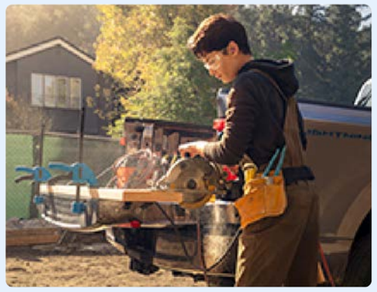
6 — Aerodynamic Design Enhancements
Innovations in the F-Series aerodynamics have helped reduce drag and improve fuel efficiency. The F-Series was the first pickup to use front-wheel air curtains, active aerodynamics with active grille shutters, and an active front air dam.

7 — Hybrid Powertrain
Ford's PowerBoost full-hybrid powertrain enhances fuel efficiency with fewer tailpipe emissions than a traditional internal combustion vehicle.

8 — Pro Power Onboard
The Pro Power feature allows the F-Series to provide electricity to work sites. Pro Power Onboard can replace standalone generators.

9 — Advanced Telematics
Telematic systems help commercial customers optimize delivery or service call routes. The technology can help teach drivers efficient operating habits, which can help reduce fuel use and emissions.

10 — Going Electric
The F-150 Lightning is the world's first full-size all-electric pickup truck, offering customers the choice to go electric with all of the features and capability they've come to expect from F-Series.



Connected Vehicles and Digital Services

ESRS 2 SBM-1

Aspirational Goals

Access

Salient Human Rights Issues

EV Transition

UN Sustainable Development Goals

We're creating and offering services that will make our customers' live better while delivering significant ongoing value.

We are deep into the development of our future software platforms which provide the foundation for rapid innovation and a profitable new software and services business, as we continuously improve experiences for our customers.

Ford and Lincoln Digital Experience

As our lives increasingly center around digital ecosystems, consumers expect consistent access to the most important people, content, and services across their devices. We've introduced the Ford and Lincoln Digital Experience to provide our customers with seamless connections when they hit the road.

The Ford and Lincoln Digital Experience represents a step forward in our approach to the design and development of in-vehicle infotainment systems. This all-new infotainment platform further improves the connected vehicle experience. With Ford and Lincoln Digital Experience, customers can access their digital lives, including their favorite apps and services from Google and Amazon, through a new integrated native experience, as well as with Apple CarPlay® powered by iPhone, and Android Auto™ through other compatible devices.[13]

Google Assistant serves as the default voice assistant. Alexa Built-In is also available as an alternative for in-vehicle controls and can help with making calls, sending texts, setting a meeting, or controlling connected home devices.[14] Integrated Google Maps offer real-time traffic, road conditions, dynamic and eco-friendly routes, and points of interest.

Customers can stream music, audiobooks, and podcasts using downloaded entertainment apps, as well as embedded SiriusXM with 360L,[15] for a personalized listening experience so they are always available in the vehicle — regardless of whether a smartphone is connected in the vehicle.

The Premium Connectivity plan enables even more capability, such as downloading apps into the car, for video play, video conferencing, gaming, and even internet browsing — all while parked.

Ford and Lincoln Digital Experience will be introduced in a variety of vehicles coming to market, beginning with the 2024 Lincoln Nautilus and 2025 Lincoln Aviator, and the 2025 Ford Explorer. SYNC 4 remains available in some of our vehicles.

The Ford and Lincoln Digital Experience is the fastest infotainment system Ford and Lincoln has ever offered. It is designed to enable more new apps and services in the future thanks to over-the-air (OTA) software update capability.[16]

Over-the-Air Software Updates

OTA software updates are a critical capability and a real differentiator for us. Ford vehicles are equipped with advanced OTA update capability for quick and easy wireless upgrades that can help enhance quality, capability, and improve the ownership experience over time while reducing dealer trips. Convenient, routine software updates keep our customers' vehicles performing at their peak. We've delivered more than 25 million OTA updates, enabling us to make our vehicles even better over time.

For example, Mustang Mach-E owners can now plan long EV journeys via Apple CarPlay with the Apple Maps EV Routing feature[17], which creates a route to a driver's preferred destination — including EV charging stations along the way. Drivers simply enter trip details into CarPlay and Apple Maps then calculates the vehicle's estimated state of charge when it reaches a destination. Apple Maps will route drivers to a charging station if it estimates that a charge is required. Apple Maps EV Routing is currently available for certain Mustang Mach-E owners.[17] It is coming to the F-150 Lightning in 2024.

Mustang Mach-E and F-150 Lightning drivers who use Google Maps through Android Auto will also gain access to more sophisticated routing capability to help with the charging needs of an electric vehicle, especially on road trips. Google Maps will be able to deliver routing information for Ford EVs including battery on arrival estimate, end of range Indicator, auto-suggested charging stops, minimum recommended charge, and battery on arrival estimate (next stop). The feature works when a user connects their smart phone and activates Android Auto in the vehicle and uses Google Maps for navigation. EV Routing for Android Auto will be rolled out via an OTA software update in 2024.

Ford Pro Software and Connected Data

With the software and connected data that Ford Pro offers, we can help fleet managers and business owners solve some of their biggest challenges like uptime, safety and security, lower total cost of ownership, and increasingly, environmental sustainability.

Technology is driving a paradigm shift and Ford Pro is uniquely positioned to integrate new digital solutions that build on our strong foundation of vehicle leadership and our unmatched support network.

We currently have over 500,000 paid software business subscriptions for solutions such as telematics and charging and fleet management software. This represents a 46% increase in 2023.

Our paid software attach rate in 2023 was 12% of our connected vehicle base, and we expect this to grow to a third of Ford Pro connected vehicles by 2026. This will

Connected Vehicles and Digital Services
— continued

ESRS 2 SBM-1

add even more value for our customers through features like intelligent predictive maintenance, advanced fleet controls, as well as other safety and security capabilities.

Ford Pro software integrates with our physical service network and combines data from vehicles, charging hardware, and daily fleet activity into a digital interface that a fleet manager or business owner can easily access and integrate into their existing systems. Our software offering allows us to provide tailored preventive repair and diagnostics using vehicle history.[18]

We've created a curated system of Ford built applications and third-party solutions that work together and can even support fleets with multiple makes of vehicles. Our customers are already realizing the benefits of our Ford Pro intelligence platform in productivity gains, fuel optimization, improvements in how they run and secure their vehicles, and promotion of safe driving behaviors.

The effectiveness of our software and services is only going to get better with the launch of Ford's NextGen digital architecture being developed by Model e.

Ford Pro's key differentiator is our ability to integrate the software, vehicles, and services into a cohesive ecosystem. By reducing friction for our customers, we can increase their loyalty, satisfaction, and retention. This in turn will help us to attract new customers and capture more of their spending as the economic value we provide increases.

BlueCruise Hands-Free Highway Driving

BlueCruise[19] enables hands-free highway driving technology that can help make highway driving easier, and more enjoyable whether on a daily commute in stop-and-go traffic or a road trip. BlueCruise allows Ford and Lincoln owners to drive hands-free while BlueCruise steers, accelerate and brakes, and keeps the vehicle centered in the lane. A driver-facing camera monitors eye gaze and head position to ensure the driver is actively monitoring the road. The latest versions of BlueCruise also include features such as Lane Change Assist, allowing a driver to switch lanes hands-free with the tap of the turn signal when the path is clear, and In-Lane Repositioning, which helps provide more space by subtly shifting away from vehicles in adjacent lanes. BlueCruise operates on 97% of controlled access highways in areas called hands-free Blue Zones across U.S. and Canada.

In 2023, BlueCruise was recognized as Consumer Reports top rated Active Driver Assistance system, two times in a row. BlueCruise received a 9/10 score in the categories of "capabilities and performance," "keeping the driver engaged," and "clear when safe to use."

Ford has evolved how it offers BlueCruise for customers, giving customers flexibility and choice for how and when they activate BlueCruise across new Mustang Mach-E, F-150 Lightning, F-150, and Expedition vehicles. Customers can choose to activate BlueCruise at vehicle purchase, or on a monthly or annual basis because the hardware is installed from the factory.

In 2024, Ford will expand the availability of BlueCruise onto more electric, hybrid, and gas-powered Ford and Lincoln vehicles, including the 2025 Ford Explorer and Lincoln Aviator SUVs. When Aviator deliveries begin this summer, all Lincoln U.S. models will have available BlueCruise.

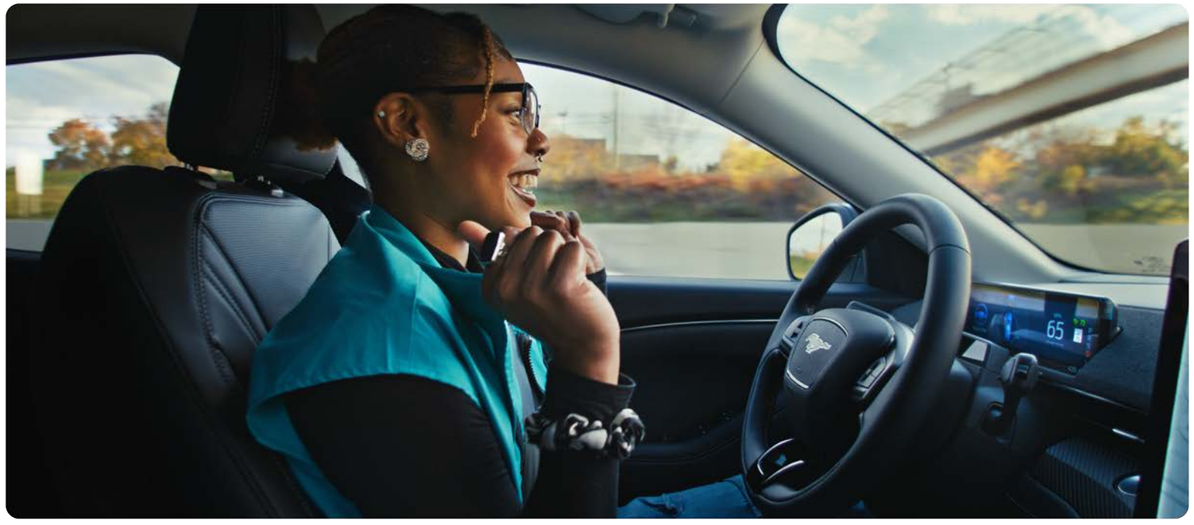
BlueCruise Expands to Europe
In 2023, Ford expanded the availability of BlueCruise beyond the U.S. and Canada to customers in Europe across three countries. BlueCruise received approval for use on the motorway network in Great Britain, becoming the first advanced driver assistance system that delivers true hands-free driving at highway speeds in Europe. Approval in Germany and then Spain quickly followed, with Ford being the first automaker to receive approval in Spain for hands-free highway driving. Now, customers with BlueCruise-equipped Mustang Mach-E vehicles in approved countries are able to use and enjoy hands-free highway driving.

Value of BlueCruise for Ford and Lincoln Customers
Driving can be tiring, stressful, and physically draining. BlueCruise can help Ford and Lincoln customers arrive to their destination less fatigued, more energized, and gives them the ability to truly enjoy the ride and be more engaged with passengers.

Everything we do is about the customer and we spent a lot of time listening to customers who use BlueCruise every day. One professional told us the worst part of their day was going to and from work, and now it is the best part of their day because they are using BlueCruise — their commute has gone from monotonous to enjoyable. A teacher who has spent 25 years commuting around an hour to work each way, can enjoy her coffee and breakfast and arrive with more peace of mind.

BlueCruise by the Numbers in 2023

- 290,000 + BlueCruise-equipped vehicles on the road globally across Ford and Lincoln
- Customers have spent more than 2.3 million hours using and enjoying BlueCruise (U.S. and Canada)
- Customers have driven more than 156 million miles hands-free using BlueCruise (U.S. and Canada)



Connected Vehicles and Digital Services
— continued

ESRS 2 SBM-1

Always Learning and Improving
We continue to invest in the development of BlueCruise to improve the software. Our in-house Advanced Driver Assistance System engineering team uses the power of anonymous and aggregated large-scale data coming from BlueCruise-equipped vehicles, which customers have agreed to share with us, to quickly drive better performance and new feature development. With every iteration of BlueCruise, we are focused on improving the amount of time customers can spend hands-free, as well as adding new features and functionality.

In 2023, we released our latest version of software, BlueCruise 1.3, which delivers our best hands-free highway driving performance yet. In the third quarter of 2023, BlueCruise 1.3, started shipping from the factory to customers on the Mustang Mach-E. We will continue to improve the software and we will deliver new versions as they become available for additional vehicles.

Other Feature Benefits

We're applying connected vehicle data and artificial intelligence (AI) to offer features that make living with and using our vehicles even easier. For example, AI is helping make it easier to hitch a trailer. The all-new Ford Pro Trailer Hitch Assist available exclusively for Ford F-Series uses sophisticated artificial intelligence, including computer vision and machine learning, to automatically back up and align a truck's hitch ball to a trailer coupler with a button push.

Ford's in-house team secured 60 patents while developing this industry-first technology, which automatically controls the truck's speed, steering, and braking to make sure the trailer hitch ball is directly under a conventional trailer coupler.

Pro Trailer Hitch Assist is the latest example of Ford applying advanced technology to deliver smart solutions that improve the productivity of customers.

E-SELF Trial in Cologne

Automated driving tech and AI could enhance efficiency and safety at Ford plants. A trial is underway to enable electric vehicles produced at the Ford Cologne EV Center, in Germany, to drive off the assembly line with no one at the wheel.

Vehicles in the E-SELF trial not only drive themselves off the assembly line, they also self-drive to final testing stations and self-charge before parking, ready for delivery to customers.

The E-SELF project uses vehicle-to-infrastructure communication to control and monitor vehicles. Sensors located around the plant can identify hazards in the vehicle's path, such as a person or another car, and vehicles are slowed or brought to a halt as required.

Final testing alone can involve a dozen or more trips between different locations before vehicles are parked and ready for collection and delivery by road, rail, and ferry. Using AI technology, those vehicles would simply drive themselves and be charged and ready to go. E-SELF works for all vehicles equipped with an automatic transmission, electronic stability control, an electric handbrake, and assisted steering; the only additional requirement is a smart communication unit to enable the interaction with the infrastructure.

Environment

In this section:

Environment
Overview

Everyone should experience the benefits of clean air, clean water, and clean transportation. While we are dedicated to making our product portfolio company carbon neutral, our sustainability efforts also extend to our manufacturing sites operations, supply chain, and the communities we serve. Alongside our global partners, we continue to make measurable gains against tough environmental targets. Our investments in greener sustainable manufacturing are fueling the transition to carbon neutrality and achieving the positive impact that is essential to our collective future.

A Science-Based Approach to Climate Change

Our aspiration to achieve carbon neutrality globally no later than 2050 is in line with the Paris Agreement and supported by science-based targets approved by the Science Based Target initiative (SBTi). We are focusing on approximately 95% of our greenhouse gases emissions — our vehicles, operations, and supply chain. Our energy management strategy is the key enabler for achieving greenhouse gas emissions reductions for our operations.

Electric Vehicles are our Future

Electric vehicles are central to our carbon neutrality strategy. Around the globe, we are investing to advance our EV strategy and create a sustainable manufacturing system for our vehicles and the batteries that power them.

We Are Committed to Environmental Leadership

Our commitment to environmental leadership and sustainability goes beyond climate and also encompasses our strategies for sourcing materials, water usage, air pollution, and waste. Our holistic approach is essential to protecting our planet.

Our Sustainability Aspirations

Climate Change: Achieve carbon neutrality no later than 2050

Energy: Use 100 percent carbon-free electricity in all manufacturing by 2035

Materials: Utilize only recycled or renewable content in vehicle plastics

Waste: Reach true zero waste to landfill across our operations

Eliminate single-use plastics from our operations by 2030

Air: Attain zero emissions from our vehicles and facilities

Water: Make zero water withdrawals for manufacturing processes

Use freshwater only for human consumption

UN Sustainable Development Goals

We are contributing to the following UN Sustainable Development Goals through actions outlined in this chapter:

Climate Change

Carbon Neutrality Overview

Aspirational Goals

Climate Energy

Salient Human Rights Issues

Environment

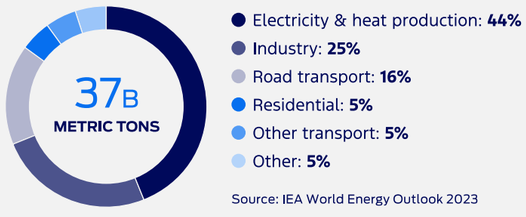
UN Sustainable Development Goals

Climate change is among the biggest challenges of our generation.

The World Economic Forum's 2023 Global Risks Report identified failure to mitigate climate change as the most severe risk on a global scale over the next 10 years. Rising sea levels, more frequent droughts, severe storms, and forest fires combined with environmental degradation threaten food, water, health, and energy security.

It is critical that all industries reduce greenhouse gas (GHG) emissions in line with science. This includes making the necessary near-term progress along the journey to carbon neutrality by 2050 as aligned with the United Nations Framework Convention on Climate Change (Paris Climate Agreement).

2022 Global CO_2 Emissions from Energy



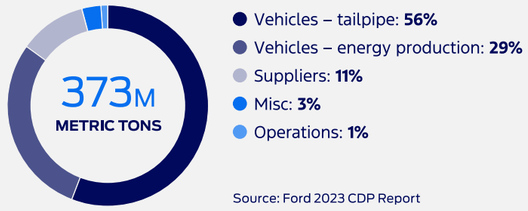
Source: IEA World Energy Outlook 2023

Climate Crisis and the Auto Industry

Road vehicles are a major contributor to GHG emissions. According to the International Energy Agency (IEA) World Energy Outlook, in 2022 the global transport sector was responsible for 21% of total energy-related CO_2 emissions, with road vehicles emitting 16% of the total. Passenger cars produced about half of global road emissions in 2022.

Ford's emissions, along with those of other automakers, are part of road transportation. Ford's total Scope 1, 2, and 3 emissions of approximately 373 million metric tons[20] across the value chain in 2022 are equivalent to about 1% of the total world energy-related CO_2 emissions.

2022 Ford CO_2e Emissions



Source: Ford 2023 CDP Report

Significant changes will be required to decarbonize global energy and transport systems. We expect these changes will occur in different product segments and regions at different times. Our approach and our interim targets reflect these differences.

Climate Change Reporting

Transparent corporate climate change reporting is a priority for us, and we are committed to following the most credible voluntary standards available. Based on the Task Force on Climate-Related Financial Disclosures (TCFD), we have issued climate change scenario reports since 2019. This year, our climate report has been integrated into this Integrated Sustainability and Financial Report as we begin to transition to EU Corporate Sustainability Reporting Directive (CSRD) reporting, which is consistent with and more granular than the TCFD, and includes double materiality.

Read More

In the TCFD index on p.188

We are proud that in 2023 we received an A rating for Climate from CDP for the fifth year in a row.

The Transition Plan — Climate Change Mitigation

ESRS E1-1, E1-3, E1-4

Ford's Aspirations

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. Globally we aim to reach carbon neutrality no later than 2050. This timing is consistent with the timing outlined in EU Regulation (EU) 2021/1119 (European Climate Law). We are, however, on an accelerated pathway in Europe aiming to achieve carbon neutrality by 2035. See European Carbon Neutral 2035 Strategy on page 46.

To make progress toward carbon neutrality, including reducing emissions in line with science, we are investing in our business now to transform our value chain by reducing Scope 1, 2, and 3 emissions as defined by the GHG Protocol. Currently, our global focus is on three areas that account for approximately 95% of our CO_2e emissions — our vehicles, operations, and supply chain.

Our Global SBTi Greenhouse Gas Targets

Our interim goals are backed by science-based targets approved by the Science Based Target initiative (SBTi):

- Reduce Scope 1 and 2 GHG emissions from our operations (manufacturing and non-manufacturing) by 76% by 2035 from a 2017 baseline
- Reduce Scope 3 GHG emissions from the use of sold products by 50% per vehicle km by 2035 from a 2019 baseline

Our Scope 1 and 2 operations target, including manufacturing and non-manufacturing sites, is aligned to SBTi's 1.5°C path. Scope 2 emissions are market-based.

Climate Change — Carbon Neutrality Overview
— continued

European Carbon Neutral 2035 Strategy

In Europe, we have an accelerated strategy with the goal of being carbon neutral no later than 2035. This means:

- Ford is shifting our entire line-up of passenger and commercial vehicles to 100% electric by 2035.
- Ford is targeting carbon neutral
  - EV and EV component manufacturing facilities
  - Tier 1 suppliers (Scope 1 and 2)
  - Logistics operations that transport parts to EU production sites and vehicles to dealers

Our strategy is powered by an exciting lineup of EVs, including an electric version of the popular Ford Puma, the E-Transit, and the electric Explorer.

Not only is the European market seen as ready for an accelerated Ford carbon neutrality strategy, but we also view it as a potential blueprint for other regions.

Our Scope 3 use of sold products (vehicles) target is consistent with a well-below 2°C path; vehicle sector pathways for a 1.5°C target setting have not yet been finalized by the SBTi. Our Scope 3 target goes beyond tailpipe emissions and includes vehicle emissions from an energy-cycle (fuel and electricity) perspective (well-to-wheels). This includes energy production and consumption during vehicle use.

These interim GHG reduction targets do not include the use of offsets.

Key Supporting Commitments
In 2020 Ford committed to the UN's Business Ambition Pledge for 1.5°C, which calls on companies to set science-based targets aligned either with limiting global temperature rise to 1.5°C above pre-industrial level or a 2050 net zero target date. This is reflected in our 2050 aspiration and our Scope 1 and 2 target. We have evaluated SBTi's proposed interim automotive sector 1.5°C pathway for vehicle use and are awaiting the final version's publication.

Ford is also committed to the New Deal for Europe initiative to devise a comprehensive Sustainable Europe 2030 Strategy.

Vehicles
In 2021, Ford joined RouteZero, a global coalition, to sign the ZEV Declaration, pledging to work towards making sales of all new cars and vans zero-emissions by 2040 globally and no later than 2035 in leading markets. RouteZero ran in the lead up to COP26 from 2020-2021, and the work is now being continued under Accelerating to Zero (A2Z) Coalition. SBTi's proposed automotive OEM interim 1.5°C pathway also includes a reference to A2Z.

We support the authority of California and other U.S. states to protect people's health and avoid the worst impact of climate change by establishing and enforcing air pollution standards and zero-emission vehicle requirements for new vehicles within their states.

Operations
We've joined the U.S. Department of Energy's (DOE) Better Climate Challenge to reduce GHG emissions from our U.S. manufacturing facilities 50% by 2030, relative to a 2017 baseline. We have also joined the U.S. DOE's Better Plants Challenge to reduce energy intensity from our U.S. manufacturing facilities by 10% by 2030, relative to a 2020 baseline. Through these programs, DOE provides technical assistance and opportunities to learn about and share actionable best practices for carbon reduction. We are proud to join this effort to meet the urgent call to mitigate the impacts of climate change.

Supply Chain
We are members of the First Movers Coalition to accelerate the transition to low-carbon aluminum and near-zero steel, addressing two key high-carbon materials in the supply chain.

Alignment with Business and Financial Planning
Decarbonizing our business and providing sustainable mobility solutions is essential to realizing Ford's overall vision of building a better world. It is reflected in our overall strategy to transform our product and services portfolio and in major investments to realize the transformation. Nothing will be more influential than our electrification strategy. Our overall decarbonization approach is summarized below.

Read More

In Electric Vehicles, Batteries, and Charging infrastructure on p.34

Decarbonization Levers, Actions, and Investments
Emissions avoidance and reductions are Ford's top climate change priority. Understanding the potential environmental and cost impacts of our vehicles and services over their life cycle — from the acquisition of raw materials, through vehicle production, distribution, and use, to end-of-life disposal or recycling — aids this effort, allowing the company to focus on key GHG sources.

The graphic, Decarbonization Levers and Actions Overview, on page 48 shows an overview of the key decarbonization levers along with example actions for our largest contributors — currently vehicle use and supply chain emissions — and our operations.

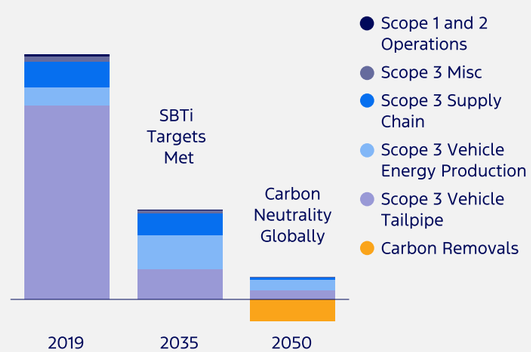
It is important to note that the backbone of the transformation to a carbon neutral business is carbon-free energy. This includes wind, solar, nuclear, geothermal, hydro, and bio energy sources. We are actively investing, partnering, and collaborating in carbon-free energy throughout our value chain. Examples include renewable electricity for not only our operations but also for public and home charging infrastructure, supporting our supply base via Manufacture 2030 and advocating for the transformation of the electric grid.

Read More

In Climate Change — Achieving Carbon Neutrality on p.59

The Carbon Neutrality Scenario graph shows what the decarbonization path might look like as a result of actions taken, including those discussed here. The path will not be linear, and the relative share of GHG emissions for each scope will shift over time. As we sell more EVs and fewer internal combustion engine vehicles, the total GHGs from vehicle use should decrease significantly. However, in the near term, the GHGs from energy production will likely increase due to more electricity use for EV battery production.

Carbon Neutrality Scenario



Climate Change — Carbon Neutrality Overview
— continued

Locked-in GHG are future emissions that will occur over our products' or facilities' lifetimes due to choices we make today. For example, most of the vehicles we sell today will be on the road for over a decade. Therefore in Scope 3, Category 11 (use of sold products) we report the locked-in GHG emissions over a 150,000 mile lifetime in the year the vehicle is sold. This is also reflected in our vehicle use SBTi target. Compared to vehicle use, locked-in Scope 1 and Scope 2 GHG emissions from our operations are expected to be small.

By 2050, we may have some remaining hard-to-reduce GHG emissions. We intend to neutralize these emissions using carbon removals, i.e., natural or technical strategies that remove CO_2 from the atmosphere and provide secure long-term storage.

An overview of some key investments that support the implementation of our plan are provided in table Transition Plan Key Investments. Ford has no investments related to coal, oil, and gas-related economic activities.

Ford plans to report globally on the EU Taxonomy Regulation 2020/852 (Taxonomy Regulation) and associated Delegated Acts in 2025. Ford has reported on the EU Taxonomy Regulation for Ford Spain, including France, Italy, and Mexico[21] since 2021 as it is subject to the publication of non-financial information.[22]

Ford is not excluded from the EU Paris-aligned Benchmarks in accordance with the exclusion criteria stated in Articles 12.1 (d) to (g) and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation).

Transition Plan Key Investments

Investment			Comment
Revenues/savings from investments in low carbon alternatives	• Energy efficiency projects estimated energy cost savings – Building lighting — $0.48M – Compressed air systems — $0.75M – Steam elimination — $1.2M – Process optimization — $0.48M		Investments made in global manufacturing locations to improve energy and process efficiency while generating savings sufficient to self-fund the capital investments
Expenditures (OpEx) for R&D	Year 2020 2021 2022 2023	Expenses (in Billions) $7.1 $7.6 $7.8 $8.9	Engineering, research, and development expenses primarily consist of salaries, materials, and associated costs
Investments (CapEx) in our low carbon future	Some of the EV investments we have underway include: • $4.21 billion allocated through two green bonds to fund clean transportation projects, including the manufacture of current and future EV products • $2 billion to convert Ford's Cologne, Germany operations into a state-of-the-art electric vehicle center, completed in 2023 and scheduled to begin production in 2024 • £230 million in Halewood, U.K. Transmission Facility to build EV components for Europe, completed in 2023 • $440 million in the Rouge Electric Vehicle Center where the F-150 Lightning is built		

Climate Change — Carbon Neutrality Overview
— continued

Decarbonization Levers and Actions Overview

Key Decarbonization Levers

Vehicle Usage
~85%

- **Vehicle Technology**
  - Powertrains and vehicle design
- **Energy Options**
  - Low carbon fuels and carbon-free electricity
- **Supporting Customers**
  - Product offerings, key EV adoption enablers, and eco-friendly driving support

Operations
~1%

- **Energy-efficiency & GHG Reductions**
- **Carbon-free Energy**

Supply Chain
~11%

- **Supplier Engagement**
  - Sourcing requirements
  - Decarbonization support
- **Low Carbon Materials**
  - Batteries, steel, aluminum, and plastics

Carbon Free Energy — Across the Value Chain

Key Planned Actions

- A portfolio of low carbon products
  - Battery electric vehicles
    - Electrification of iconic vehicles
    - Europe — 10 new EVs by 2024
    - Next-generation EVs
      - Larger trucks, vans, SUVs, and a small, low-cost platform
  - Lower emissions ICE vehicles
    - Improved fuel efficiency & compatibility with alternative fuels
    - Traditional and plug-in hybrids
  - Hydrogen fuel cell
    - Technology development for our medium- and heavy-duty vehicles
- Addressing key EV adoption barriers
  - Expanding the BlueOval Charge Network
  - More affordable battery chemistries like LFP (Lithium Iron Phosphate)

- 100% carbon-free electricity for our global manufacturing by 2035
  - GTE's MIGreenPower program
  - Global onsite renewable projects
- Reduction or elimination of natural gas usage
  - Paint shop upgrades at Oakville & Ohio Assembly Plants
  - No natural gas use for building heat when Tennessee Electric Vehicle Center (TEVC) begins operations
- Campus transformation
  - Research & Engineering
  - Corktown
- Ford's first carbon neutral vehicle assembly plant
  - Cologne Electric Vehicle Center with significant GHG reductions

- Require suppliers and their subcontractors to establish science-based GHG reduction targets, action plans, and transparent reporting mechanisms
- Manufacture 2030 — global Tier 1 supply chain initiative
  - Sharing decarbonization best practices, and providing training and access to green finance
  - Enabling site GHG emissions data collection
- By 2030 purchase at least 10% low-carbon aluminum and near-zero steel (First Movers Coalition)
  - Memorandums of understandings with 3 European steel suppliers

Climate Change — Carbon Neutrality Overview
— continued

Performance Overview
We are on track to meet both of our SBTi 2035 interim targets. Our current status for both targets are shown in graphic GHG Emissions Reductions: Vehicles & Operations to the right.

Our preliminary estimate for 2023 Scope 3 vehicle use shows the average GHG intensity of the vehicles we sold in 2023 will be about 6% lower than for the vehicles we sold in 2019 and, in absolute terms, emissions will be reduced by about 21%. Compared to 2022, the preliminary 2023 vehicle average GHG-intensity is about the same, although absolute emissions from vehicle use increased about 4% due to a 4% increase in sales.

For our Scope 1 and 2 operations target, we reduced GHG emissions by 47% between 2017 and 2023 — we are almost two-thirds of the way to our interim 2035 target. Our absolute manufacturing GHG footprint, a subset of the total Scope 1 and 2 emissions target, was reduced by 49% from 2017 to 2023.

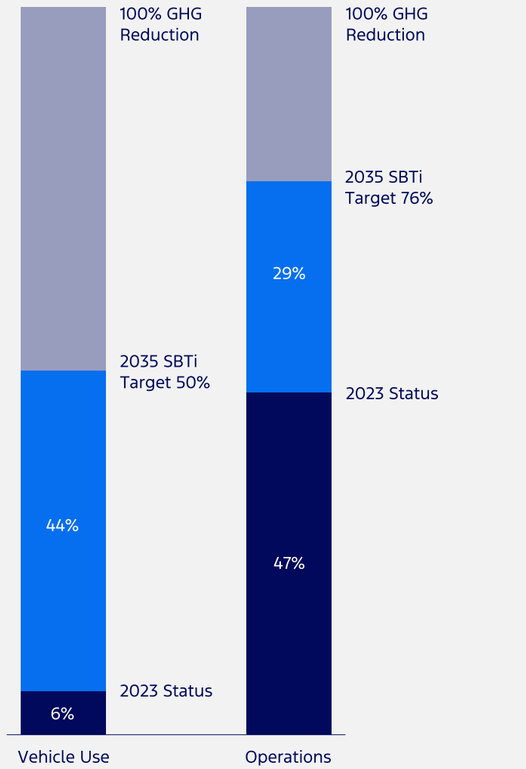
Increasing the percentage of carbon-free electricity consumed in Ford's global manufacturing plants, a key enabler to decarbonizing our operations, is also on track. This includes carbon-free electricity that was generated on-site, as well as carbon-free electricity purchased in the form of Energy Attribute Certificates or similar market mechanisms. The status in 2023 for our global manufacturing operations was

- Carbon-free electricity — 70.5%
- Renewable electricity — 50.8%

Read More

On Ford's Road To Carbon Neutrality on p.51
In Achieving Carbon Neutrality on p.59
In Performance Data on p.135

GHG Emissions Reductions: Vehicles & Operations



Governance
ESRS 2 GOV-3

Management's Role
Our Vice President, Chief Sustainability, Environment, and Safety Officer and his team are responsible for delivering our sustainability aspirational goals and strategies, including achieving carbon neutrality no later than 2050. The leaders of the Global Sustainability & ESG Meeting approve our carbon neutrality strategy and monitor progress on reducing GHGs by tracking metrics for our vehicles, supply chain, and operations.

The Global Sustainability and ESG group coordinates Ford's carbon neutrality strategy and activities, helps integrate carbon neutrality in collaboration with other functional areas and teams, and leads our climate reporting and stakeholder engagement.

Board Oversight
Furthermore, the Sustainability, Innovation and Policy Committee of the Board of Directors advises management on developing and shaping the Company's strategies, policies, and practices in the areas of climate change, including GHG emissions and energy consumption.

The Audit Committee assists the Board in overseeing compliance and reporting risk, including reviewing risks identified in the Ford Enterprise Risk Management process, which includes climate-related risks.

Read More

In Business Conduct — Accountable and Inclusive Governance on p.127

Remuneration
The individual performance factor that applies to both our Performance Stock Units and Annual Performance Bonus Plan is assessed based on the employee's success in driving and aligning with our Ford+ plan and corporate strategy, which could include efforts around climate change and other environmental, social, and governance (ESG) areas depending on their role.

For example, our Vice President, Chief Sustainability, Environment and Safety Officer's yearly compensation includes a bonus as percentage of salary, stock shares, and a salary increase. These compensation incentive amounts are variable according to individual performance to objectives, many of which are directly or indirectly tied to climate improvements or climate transition plan delivery.

This includes meeting the key performance indicators (KPIs) related to renewable electricity, facility GHGs, and European fleet CO_2 targets that are tied to the financial revolver line of credit. Additionally, Ford's carbon neutrality goal includes eliminating Scope 1, 2, and 3 emissions, so better performance in delivering GHG emissions reductions may yield increased financial compensation, thus creating an incentive to deliver climate improvements.

Furthermore, as discussed in our 2024 Proxy Statement, Ford's Compensation, Talent and Culture Committee of the Board approved, as a performance measure, Global EV Retail Volume to Customers weighted at 20% for our 2023 Annual Performance Bonus Plan Metrics. The inclusion of Global EV Retail Volume to Customers as a performance objective emphasizes Ford's commitment to transitioning our portfolio to electric vehicles and creating environmental benefits in the transition to EVs by addressing the largest source of our GHG emissions, vehicle use.

Collaboration
Avoiding the worst consequences of climate change requires collaboration with multiple partners and organizations in the public and private sectors to drive timely progress. We are working together to address challenges including barriers to electric vehicle adoption,

Climate Change — Carbon Neutrality Overview
— continued

government regulations, economic factors, and the availability of carbon-free electricity and renewable fuels.

Our Blue Table Forum is a space for dialogue around how we can work together with various stakeholders from a diverse group of non-governmental organizations (NGOs), nonprofits, and academic institutions.

Ford partners with organizations like the Center for Climate and Energy Solutions Business and Environmental Leadership Council to help advance stronger GHG emissions policy and infrastructure improvements to remove obstacles and build the market for EVs.

We support consumer EV incentives to accelerate the transition by making electric vehicles even more accessible and affordable while supporting manufacturing jobs. We are also working with government partners to secure the supply chains and develop the technologies we need to produce EVs and batteries here in the U.S., also ensuring the United States remains competitive globally.

Read More

In Government Regulations, Policy and Engagement on p.131
In the 2023 U.S. Political Engagement Report

Climate Justice

Addressing climate change is more than decarbonizing our business. It is also about the impact of the transition to electric vehicles on our workforce and communities.

Ford supports climate justice, and the growing understanding that the impacts of climate change will not be felt equally among all communities. We are working to minimize negative impacts while striving to create positive impacts on people and the environment. Our goal is to protect the communities in which we operate from environmental and health hazards and to provide equal access to the decision-making process that supports a healthy environment in which to live, learn, and work.

Ford's global director of sustainability, Cynthia Williams participated in TED Explores: A New Climate Vision. Ford is also one of the 13 founding members of the 2023 TED Future forum, hosted at Michigan Central. The mission of the forum was "BRINGING PEOPLE TOGETHER: We convene thought leaders from around the world to share diverse perspectives, build community and foster new collaborations that can lead to tangible progress."

We are working to provide EVs by offering equitable financing, supporting greater EV charging access, developing new mobility solutions in urban and rural areas, diversifying our supplier, dealer, and investor network, and supporting small businesses and businesses owned by women, minorities, veterans, and people with disabilities.

We also support and align with federal policy which includes several provisions that aim to direct investments into communities that are marginalized and generally more adversely impacted by air pollution and climate change. This might include, for example, tax incentives for the installation of EV charging infrastructure in low-income census tracts, or for clean energy projects that meet prevailing wage and apprenticeship requirements.

Climate Change — Carbon Neutrality Overview
— continued

Ford's Road to Carbon Neutrality

1999
Published our first Corporate Citizenship report, "Connecting with Society"

2004
Reopened our Ford Rouge Center with its living roof (the world's largest green roof at the time), daylighting system and waste minimization
Launched the Escape Hybrid, the world's first hybrid SUV

2007
Joined the United States Climate Action Partnership and UN Global Compact
Developed first science-based corporate CO_2 strategy

2009
Launched the EcoBoost engine, which optimizes power and efficiency using turbocharging and direct gasoline injection

2011
Launched the fully electric Focus electric vehicle (EV)

2014
Implemented Partnership for a Cleaner Environment (PACE) program with suppliers to reduce our collective environmental footprint

2015
Launched the lightweight F-150, with all-aluminum body

2018
Met our goal to reduce operational greenhouse gas (GHG) emissions per vehicle produced by 30% eight years early

2020
Set aspiration to be carbon neutral no later than 2050
Launched all-electric Mustang Mach-E
Offered 155,000 charging stations in Europe on the FordPass Charging Network, in partnership with NewMotion

2021
Set 2035 SBTi targets for our operations and vehicles

Joined RouteZero (now A2Z) working toward 100% ZEVs for cars and vans globally by 2040

Launched new Sustainable Financing Framework — the first transaction, a $2.5 billion green bond

Tied Corporate and Supplemental revolving and 364-day credit facilities to sustainability-linked KPIs

Required suppliers to set carbon neutrality targets dates

Climate Change — Carbon Neutrality Overview
— continued

2022

Launched all-electric F-150 Lightning and E-Transit

Issued a second Green Bond of $1.75 billion, published the first Sustainable Financing Report

Entered agreement for multiple Michigan locations to purchase 100% renewable electricity

Achieved 100% carbon-free electricity sourcing for our manufacturing facilities in Europe, Mexico and Ohio

Announced Ford in Europe 2035 carbon neutrality target date

Announced reorganization of business into three business segments: Ford Blue, Ford Model e and Ford Pro

Joined the First Movers Coalition (Steel and Aluminum)

2023

Announced Ford Pro and Xcel Energy charging infrastructure collaboration for fleets

Announced Memorandum of Understanding with RheinEnergie to expand solar panels at our Cologne facilities

2024

Launch an all-new electric Explorer in Europe produced in Cologne — Ford's first carbon neutral vehicle assembly plant

Target zero emissions capability for full range of European Light Commercial Vehicles

Target 100% carbon-free electricity — all Michigan manufacturing facilities

Target 20% recycled and renewable plastics content for North American, EU and Turkey programs and 10% for China

2025

Build next generation electric truck and battery packs with SK Innovation at BlueOval City

Target 100% carbon-free electricity and zero natural gas for building heat — Tennessee Electric Vehicle Center

2026

Build batteries at BlueOval Battery Park (Marshall, MI)

2030

Target 40-50% U.S. EV vehicle sales

Target reducing GHG emissions from U.S. manufacturing facilities by 50% (Better Climate Challenge, 2017 baseline)

Purchase at least 10% near-zero carbon steel and aluminum (First Movers Coalition)

Target elimination of single-use plastics from our operations

2035

Meet our SBTi-approved emissions targets — operations and vehicles

Work toward 100% zero-emissions cars and vans in leading markets (A2Z)

Target 100% carbon-free electricity in all manufacturing

Target Ford in Europe 2035 carbon neutrality

2040

Work toward 100% zero-emissions cars and vans globally (A2Z)

2050

CARBON NEUTRALITY GLOBALLY

Climate Change

Impacts, Risks, and Opportunities

E1 SBM-3, E1 IRO-1

The Identification and Assessment Process

Climate Impacts

Ford is committed to achieving carbon neutrality across our vehicles, operations, and supply chain. We annually assess our entire value chain's impact on climate change by calculating emission scopes 1, 2, and 3 as defined by the Greenhouse Gas Protocol. The status and future emissions based on planned actions for our vehicles, operations, and supply chain are evaluated relative to associated science-based pathways and reviewed regularly by management and the Sustainability, Innovation and Policy Committee of the Board of Directors. This allows us to identify potential concerns early in the process, ensuring that we are on track to meet our carbon neutrality commitments.

Read More

In Climate Change — Achieving Carbon Neutrality on p.59

In Performance Data on p.135

Risks and Opportunities

We divided climate-related risks into two categories:

- Transition risks — those that arise from actions associated with the transition to a low-carbon economy, including the introduction of new climate policies or low-carbon technologies
- Physical risks — those that arise from the acute and chronic physical impacts of climate change

We identified and assessed climate-related risks and opportunities based on TCFD guidelines and well-established, state-of-the-art science scenarios.

The range provided by these scenarios identifies likely risks and opportunities, as these definitive scenarios cover a wide gamut of societal action, addressing future uncertainties, whether that is related to policy, macroeconomic, energy systems, or technological developments.

Three scenarios were used. The IEA Net Zero Emissions by 2050 Scenario (NZE) helps expose transition risks while the IEA Stated Policies Scenario (STEPS) and the Intergovernmental Panel of Climate Change (IPCC) Representative Concentration Pathway 8.5 (RCP8.5) high emissions and temperature climate scenarios help expose expected physical risks due to climate change.

The risks and opportunities were examined for the entire value chain along three time horizons: short-term (<5 years), medium-term (5–10 years), and long-term (>10 years).

Read More

In Climate Change — Scenario/Resilience Analysis on p.70

Our Climate-related Risks and Their Business Impact

Major risks for leading markets currently transitioning to electric vehicles cover all three time horizons. In leading markets, we expect technology, market, and workforce risks to lessen in the long term as EV adoption becomes more widespread. At the same time, resource availability and regulatory risks may increase. Other markets will reach the EV inflection point later, extending the time-horizon for technology and market risks.

The table Major Climate-related Risks on page 54 provides an overview of the major risks identified in the most pertinent categories and is not a complete listing of the risks we examine. Examples are provided in the table Material Climate-related Risks: Examples on page 57.

Our Climate-related Opportunities for the Business

At Ford we also see opportunities across the three measured time horizons for addressing climate-related issues. Similar to the identified risks, we expect the timing of some major opportunities related to EV adoption to occur sooner for leading markets while later in other markets.

The table Major Climate-related Opportunities on page 56 provides an overview of the major opportunities identified in the most pertinent categories but is not a complete listing of our pursuits. Again examples are provided, see table Material Climate-related Opportunities: Examples on page 57.

Climate Change — Impacts, Risks, and Opportunities
— continued

E1 SBM-3, E1 IRO-1

Major Climate-related Risks

Transition Risks	
Regulation	Ford is subject to emissions, fuel economy, and other regulations that govern product characteristics, and these can differ locally, regionally, and nationally. New regulations are continuously being proposed to address environmental concerns, and the regulatory landscape can change quickly. To comply, we may need to substantially modify product plans and facilities. Additionally, climate-oriented regulations and initiatives may increase the cost of vehicles by more than the perceived consumer benefit, dampening our financial margins.
Technology	If cost-effective and timely hardware and software solutions are not available to meet our GHG reduction goals, we are subject to technology risk. As we make further GHG reductions, it becomes more challenging to make cost-effective improvements. Technology may not be available to make the improvements at the rate required, and the carbon neutral grid and charging infrastructure may not keep pace with vehicle electrification which could negatively impact sales. New vehicle offerings may also present technological challenges that could be costly to implement and overcome. If we are unable to meet customer demand or quality expectations with our products and technologies, there could be an adverse effect on our business.
Financial	There is a risk that our carbon neutrality plan would need to be accelerated which would require increased investments. Our Corporate and Supplemental and 364-day revolving credit facilities are tied to sustainability-linked KPIs such as reducing GHG emissions from our manufacturing plants and lowering Ford of Europe's passenger vehicle tailpipe CO_2 emissions. The applicable margin and facility fees may be adjusted if Ford fails to achieve the specified targets. Increased transitional costs without governmental funding and lower-cost technology breakthroughs are also risks.
Legal	Non-compliance with regulatory requirements can lead to fines or sales restrictions.
Market	Meeting our climate goals relies on wide market acceptance of EVs. There is a risk that our offerings do not meet sales volume expectations. Low market acceptance could be caused by low gas prices, changes required to fueling (including charging) behavior, or by more product entries — from existing and new market participants — than are supported by demand. Excess supply could lead to decreased revenue and profitability.
Reputation	Reputation risk is tied to other risks such as meeting product emission targets or sales volumes for environmentally friendly vehicles. Our reputation can suffer if we do not reduce CO_2 emissions in line with expected progress for climate stabilization, or if our transition to electrification is slower than expected, either of which could result in lower sales.
Resource Scarcity	As electrified products proliferate, there is a risk that scarcity of components or raw materials (such as those necessary for EV batteries) may disrupt our operations or increase our cost of goods sold, thereby slowing EV adoption if alternative components, materials, or suppliers cannot be found in a timely manner. To facilitate our access to raw materials and other components necessary for the production of EVs, Ford has entered into and may, in the future, enter into multi-year offtake agreements and other long-term contracts for the purchase of raw materials and other components, which, subject to certain conditions, obligate us to purchase set amounts of materials or components. Accordingly, we are subject to the risks associated with lower future demand for such materials and components.
Workforce	With the significant shift in capabilities needed to deliver the transition to electrification, there is a risk of lack of skilled workers and programs necessary to maintain or upskill our workforce. Our ability to attract and retain talented, diverse, and highly skilled employees is critical to our success and competitiveness.

Physical Risks	
Acute: Extreme Weather	Climate change can lead to increased extreme weather events such as storms, wildfires, or floods that can disrupt production or component supplies at our facilities, or within our supply chain. This may increase our costs and delay or otherwise impact both our production operations and customers' ability to receive our vehicles.
Chronic: Drought	Climate change can lead to longer-term conditions such as extended droughts. Droughts can affect our access to water for our operations, especially in water-scarce areas. This may increase our operating costs or require investment to find alternative solutions.

Climate Change — Impacts, Risks, and Opportunities
— continued

E1 SBM-3, E1 IRO-1

Material Climate-related Risks: Examples

Climate-related Risks	Description of Risk	Description of Response
Heavy precipitation (rain, hail, snow/ice) **Risk Type:** Acute Physical **Time Horizon:** Short-term **Magnitude of Impact:** Medium **Primary Potential Financial Impact:** Decreased revenues due to reduced production capacity **Likelihood:** About as likely as not	Ford's production, as well as our suppliers' production, and/or the ability for products to be delivered to consumers could be disrupted by natural or man-made disasters, adverse effects of climate change, or other factors. As one example, global climate change has the potential to lead to increased extreme precipitation events that produce ice or flooding which can disrupt production either directly or through interruptions to our supply chain. In 2021 an acute weather event, Winter Storm Uri in the United States, caused significant disruption to supplier facilities due to ice and subfreezing temperatures causing widespread power outages. Over 500 different parts and dozens of Tier 1 suppliers were impacted by raw material shortages. These suppliers provided parts for most of our North American assembly plants including those in Kentucky, Michigan, Missouri, Canada, and Mexico.	Purchasing operations engages in an organization-wide Supply Risk Management process that focuses on strategic and tactical planning to minimize disruption for the Ford vehicle and component assembly plants due to supply chain events, including acute climate-related situations. Ford has implemented an N-Tier Supply Mapping and Risk Sensing solution which provides a consolidated reporting view of Ford's multi-tier supplier network, supplier risk scores, and daily risk events in the form of user interactive visuals. Beginning in 2022, we used these tools to understand the potential business disruption exposure of daily risk events including storms, tornadoes, and tsunamis. In addition, a predictive tool has been developed by the Ford Global Data Insight & Analytics team. This system, named Supplier Performance and Risk (SPR), allows us to monitor a host of predictive data inputs to mitigate potential supply disruptions. When the platform identifies risks, the team notifies suppliers, who respond with their status. The supplier status data are used to identify any disruptions and enable mitigation actions within five days. Collaborative tools under deployment in 2024 will allow for instant communication which will reduce the alert and response time to hours.
Changing customer behavior **Risk Type:** Transition Risk — Market **Time Horizon:** Medium-term **Magnitude of Impact:** Medium **Primary Potential Financial Impact:** Decreased revenues due to reduced demand for products and services **Likelihood:** Likely	We have announced our intent to continue making multi-billion-dollar investments in electrification and software services. Our plans include offering electrified versions of many of our vehicles, such as the F-150 Lightning and E-Transit. The automotive, software, and digital service businesses are very competitive and are undergoing rapid change. Traditional competitors are expanding their offerings, and new types of competitors (particularly in our areas of strength, such as trucks, utilities, and commercial vehicles) are entering the market. New competitors may possess superior technology and may have business models that are more efficient and are not subject to the same level of fixed costs as ours. These factors increase the importance of our ability to anticipate, develop and deliver products and services that customers desire on a timely basis, in quantities in line with demand and at costs low enough to be profitable. If the EV market does not develop at the rate we expect; if there is a negative perception of our EVs or about EVs generally; or if consumers prefer our competitors' vehicles or technologies, there could be an adverse impact on our financial condition or results of operations.	Ford's long-term competitiveness depends on the successful execution of the Ford+ plan in order to more effectively compete in the marketplace and adapt to evolving customer preference. Ford+ is focused on delivering distinctive and increasingly electric products plus always-on customer relationships and user experiences. Our Ford+ plan is designed to leverage our foundational strengths to build new capabilities — enriching customer experiences and deepening loyalty. To facilitate this transformation, we are making substantial investments, recruiting new talent, and optimizing our business model, management system, and organization. In executing Ford+, we must anticipate, develop, and deliver products and services with disciplined capital allocation.

Climate Change — Impacts, Risks, and Opportunities
— continued

E1 SBM-3, E1 IRO-1

Major Climate-related Opportunities

Product	Developing a portfolio of EVs for the transition away from internal combustion engine (ICE) vehicles is an opportunity for Ford. Our portfolio includes all-electric, plug-in hybrid, hybrid, and fuel-efficient ICE vehicles (e.g., EcoBoost). This portfolio provides the company with the opportunity for growth and increased market share as the transition continues.
Financial	There is an opportunity to drive scale, diversify, and directly source parts (battery) of the supply chain, and support battery innovation to deliver cost efficiency and improved profitability. Our Corporate and Supplemental and 364-day revolving credit facilities are tied to sustainability-linked KPIs. The applicable margin and facility fees may be adjusted if we achieve the specified targets.
Conserving Resources	We see several opportunities to conserve resources such as battery materials and energy, as well as to improve business productivity. We are reducing energy consumption in operations through efficiency projects which will lower our energy costs. Ford Pro helps commercial vehicle owners improve fleet efficiency and uptime.
Reputation	An increasing number of consumers think it's important for companies to take action on climate change, and some are willing to pay more for products that are better for the environment. Meeting customer expectations by delivering electrified products and solutions, an always-on relationship with customers and an ever-improving user experience will strengthen our reputation and improve our bottom line. We believe Ford is well positioned to establish a "green" reputation with customers based on our electrification plans supplemented with improved customer experience and our broader sustainability efforts which include carbon neutral manufacturing and circular economy actions.
Workforce	Electrification represents a revolution in the auto industry as it reshapes the future of work. We are mindful of the impacts on our employees, our supply chain, our communities, and our customers. We are addressing and evolving our Just Transition strategy as we move toward carbon neutrality and electrification.

Climate Change — Impacts, Risks, and Opportunities
— continued

E1 SBM-3, E1 IRO-1

Material Climate-related Opportunities: Examples

Climate-related Opportunities	Description of Opportunity	Description of Response
Shift in consumer preferences **Opportunity Type:** Products and services **Time Horizon:** Medium-term **Magnitude of Impact:** Medium **Primary Potential Financial Impact:** Returns on investment in low-emission technology **Likelihood:** Virtually certain	Consumers are increasingly environmentally conscious. Additionally, policies such as CO_2-related taxation in Europe drive demand toward low-CO_2 vehicles and incentivize the up-take of new, fuel-efficient vehicles. The European tax scheme has two waves: the first for vehicles emitting less than 50g CO_2/km by 2025, and the second for zero-emission vehicles by 2030. Tax incentives such as those within the U.S. Inflation Reduction Act are another example. We expect that Ford's diverse global portfolio should be able to meet the demands and needs created by such a shift — both in Europe and around the globe — and expects to perform well, providing opportunities for growth and increased market share.	• Ford has institutionalized our Enterprise Risk Management (ERM) process, which includes an Environmental & Safety Compliance (E&SC) Business Plan Review and Special Attention Review process. There, E&SC senior leadership review the status of the business and the risks and opportunities presented to the business, and develop plans to address those risks and opportunities. If consumer demand shifts toward different products, such as vehicles with higher fuel economy and advanced technology powertrains, the E&SC review process is intended to cause us to increase output of corresponding products and technologies. • Our current and announced product offerings give us flexibility to meet changing consumer demands. This includes a variety of lower CO_2 emissions vehicles, including efficient diesel and gasoline vehicles, vehicles with EcoBoost engines and hybrid, plug-in hybrid, and battery electric vehicles. • In 2023, our European portfolio included 15 electrified offerings from hybrid to EVs. Globally, we began selling new EV models in 2021 with the Mustang Mach-E and followed by the F-150 Lightning and E-Transit in 2022. • We are investing in the research and development of more efficient internal combustion engines, hybrid technology, electric vehicles, batteries, lightweight and sustainable materials, and controls and software to create efficient vehicles that match customer preferences.
Move to more efficient buildings **Opportunity Type:** Resource efficiency **Time Horizon:** Short-term **Magnitude of Impact:** Low **Primary Potential Financial Impact:** Reduced indirect (operating) costs **Likelihood:** Virtually certain	Setting goals to reduce GHG emissions through improved operational efficiencies has the benefit of reducing energy expenses. • Ford has established a global Carbon Reduction Strategy with a goal to reduce our absolute Scope 1 and 2 GHG emissions by 76% from all our operations (both manufacturing and non-manufacturing facilities) by 2035 measured from a 2017 baseline. • To ensure Ford remains on track to this long-term objective, we set a five year manufacturing-specific Carbon Reduction Strategy to reduce our absolute Scope 1 and 2 GHG emissions by 18% from all our manufacturing locations by 2023, measured from a 2017 baseline. This strategy will be extended in 2024.	The Ford Energy Management Operating System (EMOS) is our global standardized process for managing and driving energy efficiency at our facilities, including setting annual energy targets for our global manufacturing locations. Improving operational efficiency of existing manufacturing locations is a fundamental element of EMOS. In 2023 we updated and better integrated the ISO 50001 management systems approach into our EMOS through participation in the U.S. Department of Energy's 50001 Ready Program. We have 31 Ready-recognized sites in the U.S., including all of our U.S. manufacturing locations. Recently implemented efficiency actions at various manufacturing locations in Michigan are examples of Ford's continued focus on improving operational efficiency — lighting conversions, compressed air optimization, and steam elimination. Additional actions taken to reduce carbon emissions from our operations include booth recirculation and abatement consolidation project at a manufacturing plant in Ohio and a lighting project at Kansas City Assembly Plant in 2023. The latter is projected to result in 3,894 metric tons of CO_2e reductions annually.

Climate Change

Policies

ESRS E1-2

Corporate

Our We Are Committed to Protecting Human Rights and the Environment policy codifies our commitment to preserving the environment for present and future generations. The policy summarizes the strategies, processes, and expectations we have established, and how we conduct due diligence for our business.

The policy covers directly or indirectly our transitional and physical risks in our own business as well as in our supply chain and partnerships. Included in the policy are expectations related to climate mitigation, energy efficiency, and renewable energy deployment. For example, our policy states that we will "do our part to minimize impact on climate change aligned with the United Nations Framework Convention on Climate Change (Paris Climate Agreement), striving towards carbon neutrality," through emission reduction actions, such as increasing energy efficiency and utilizing renewable energy in manufacturing operations.

Furthermore, as stated in the policy, Ford is committed to other third-party standards that go beyond climate change, but include climate aspects. This includes respecting the United Nations (UN) Guiding Principles on Business and Human Rights, being a member of the UN Global Compact, and supporting the UN Sustainable Development Goals (SDGs).

Our Vice President, Chief Sustainability, Environment, and Safety Officer is responsible for interpreting and implementing our We Are Committed to Protecting Human Rights and the Environment policy. Our Chief Executive Officer approves, and the Sustainability, Innovation and Policy Committee of the Board of Directors provides oversight of this policy. In addition, our internal and external stakeholders review and provide feedback.

Supply Chain

Our We Are Committed to Protecting Human Rights and the Environment policy explicitly requires our suppliers, and expects our partners and joint ventures (referred to as "business partners" in this policy) to adopt and enforce similar policies and extend them to their own supply chain. Aligned with this policy, our Supplier Code of Conduct outlines our requirements and expectations for our suppliers.

Our Supplier Code of Conduct requires our suppliers to establish science-based greenhouse gas reduction targets, action plans, and transparent reporting mechanisms aligned with the Paris Agreement to minimize their impact on climate change, including carbon emissions, energy consumption, water use, and waste. The Supplier Code of Conduct also requires that our suppliers enforce a similar code of practice with their subcontractors.

Climate Change

Achieving Carbon Neutrality

ESRS E1-3, ESRS E1-4

Metrics Overview

In this section we provide an overview of our climate-related metrics for our vehicles, our operations, and our supply chain followed by details for each of the three focus areas including targets, metric methodology, decarbonization levers, key planned actions and investments, performance, and an outlook.

Our carbon neutrality related metrics help us to ensure that we are decarbonizing our business in a timely manner and managing climate risks and opportunities. The metrics are aligned with Ford's We Are Committed to Protecting Human Rights and the Environment policy and the Paris Climate Agreement.

Ford has established the following metrics:

Vehicles — Fleet Average

- Voluntary
  - Scope 3 well-to-wheels (WTW) greenhouse gas (GHG) emissions from the use of sold products (grams CO_2e / km, Science Based Target initiative (SBTi))
- Regulatory
  - Fuel economy (miles per gallon) or fuel consumption (L/100km)
  - CO_2 tailpipe emissions (grams per mile or km)

Operations — Voluntary

- Manufacturing and non-manufacturing
  - Absolute Scope 1 and 2 (tCO_2e, SBTi)
- Manufacturing only
  - Carbon-free electricity (%)

Together the two SBTi 2035 targets cover 69% of total scope GHG emissions, do not include offsets, and are strictly GHG reduction targets. Our decision to set SBTi-endorsed science-based emission reduction targets was partially informed by knowledgeable stakeholders such as investors and non-governmental organizations (NGOs).

An overview of the two SBTi 2035 targets is given in table SBTi 2035 Targets Summary; details are discussed below. We are on track to achieve both SBTi targets.

Read More

In Performance Data on p.135

Our vehicle metrics are affected by the shift in global consumer preference away from smaller vehicles toward trucks and SUVs. U.S. industry vehicle production data from the 2023 EPA Automotive Trends database shows this shift from 53% cars in 2017 to 37% cars in 2022.

Our Ford portfolio is increasingly focused on the products with the greatest reach and leverage, allowing us to enhance the fuel efficiency of our light- and medium duty truck lines, and offer full battery and hybrid electric versions of our flagship nameplates.

Data from the U.S. EPA Automotive Trends Report, representing the largest share of vehicles in our global fleet, show that the real-world CO_2-intensity of Ford U.S. light-duty vehicles has improved 21% for cars and 10% for trucks between 2017 and 2022.

Metrics Governance

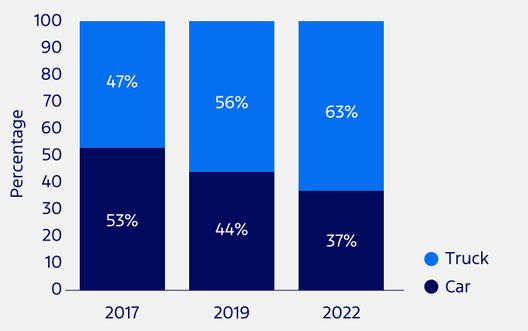
Our SBTi-approved GHG scope emissions metrics and carbon-free electricity metric are reported biannually in the Global Sustainability & ESG Meeting (GSM) and annually to the Sustainability, Innovation and Policy Committee of the Board of Directors.

The vehicle fuel economy/consumption and CO_2 metrics are reviewed two or more times per year at the Compliance Automotive Strategy Meeting.

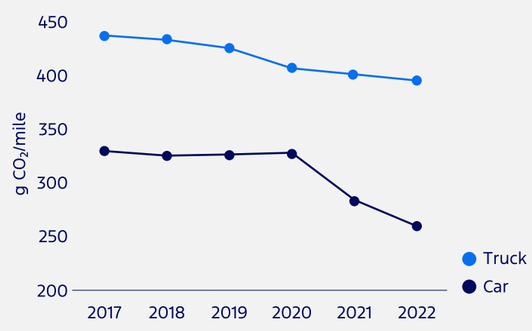
SBTi 2035 Targets Summary

	Scope 3 — Category 11 — Vehicle Use	Scope 1 and 2 — Total Operations (Manufacturing + Non-Manufacturing)
Reduction Target	50%	76%
Reduction Target Year	2035	2035
Base Year	2019	2017
Base Year Value	330 (g CO_2e / km)	4.6 (M metric tons CO_2e)
2023 Status	311.1 (g CO_2e / km)	2.5 (M metric tons CO_2e)
Pathway	well-below 2°C[23]	1.5°C
Methodology	SBTi sectoral decarbonization pathway for Transport (v 1.1)	SBTi cross-sector absolute contraction
Scope Split	NA	S1 — 30% S2 — 70%
Scope Coverage (%)	69% of total Scope 3[24] 78% of Scope 3, category 11	100%
GHG Coverage	CO_2, CH_4, N_2O	CO_2, CH_4, N_2O
External Assurance	SBTi — 2021	SBTi — 2021

U.S. Light Duty Production Mix



Ford U.S. Real World CO_2



Climate Change — Achieving Carbon Neutrality
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ESRS E1-3, ESRS E1-4

Vehicle Use — Scope 3

Target
Ford's SBTi approved intensity target for Scope 3 GHG emissions from the use of sold products is to reduce emissions 50% per vehicle km by 2035 from a 2019 base year.

Methodology
Our Scope 3 use of sold products (vehicles) target uses the SBTi sectoral decarbonization pathway for Transport (v 1.1). This is a well-below 2°C path; as noted earlier, a vehicle sector pathway for 1.5°C target setting has not yet been finalized by SBTi.

This intensity target covers about 78% of the global fleet emissions, focusing on the regulated vehicle fleets in our key markets: the U.S., the EU, and China. This is a subset of the global inventory of absolute vehicle GHG emissions that are calculated for 100% of the global fleet. We use robust compliance data in regions where vehicle fuel economy and CO_2 are regulated. Emissions from unregulated vehicle types and regions are calculated with average data from the regulated vehicle fleets.

The Scope 3 target goes beyond tailpipe emissions and includes reducing vehicle emissions from an energy-cycle (fuel and electricity) perspective, well-to-wheels (WTW), which includes both the production and consumption of the energy used by the vehicles. The vehicle emissions are calculated to represent on-road WTW emissions. That is, the calculations convert regulatory laboratory test tailpipe emission data to on-road emissions and add the emissions associated with upstream energy production such as extracting and refining oil and generating electricity. Lifetime is defined as 150,000 miles (241,000 km) for light duty vehicles and 185,000 miles (298,000 km) for heavy duty vehicles.

When setting our Scope 3, category 11 target, we used an internal forecast of future sales activity as input to the SBTi sectoral decarbonization tool. The tool adjusts the intensity target to account for growth such that absolute emissions decrease.

Key factors to achieving the target include technology solutions, government policies and regulations, customer adoption of new technologies, and economic conditions. Future technology solutions, such as electric vehicles, and supportive policies and regulations can help achieve the target. Customer preferences and economic conditions may have either positive or negative GHG emissions contributions.

When Ford established this target in 2021, the base year of 2019 was chosen as a year with representative sales volumes. 2020 was not chosen as a base year due to the COVID pandemic and global microchip shortages affecting sales volumes. The baseline value for setting 2035 targets were calculated following the GHG Protocol, and has been verified to a limited level of assurance.

Decarbonization Levers, Actions, and Investments
Reducing GHG emissions associated with the use of our vehicles, our largest GHG emissions source, is critical. The use-phase CO_2 emissions on a WTW basis depend on vehicle design, the energy source, and how the vehicles are used by our customers. See overview in table, A Portfolio Approach to Decarbonizing Vehicles.

Ford is researching and developing technology and services to address reductions in all three areas. This includes collaboration with a range of partners, including fuel and electricity producers, infrastructure developers, and governments, particularly for well-to-tank (WTT) energy production emissions that are beyond our direct control.

A Portfolio Approach to Decarbonizing Vehicles

Vehicle Design	Lower-carbon Energy Options	Support Customers
• Electric vehicles • Fuel cell vehicles • Plug-in hybrid vehicles • Hybrid vehicles • Aerodynamic improvements • Weight reductions	• Electricity • Hydrogen • Biofuels • Carbon neutral e-fuels • Compressed natural gas (CNG) • Liquefied petroleum gas (LPG)	• Providing options for different vehicles and fuels, and how those vehicles will be maintained • Address key adoption enablers, e.g., affordability and EV charging deployment with renewable energy • Promoting "eco-driving" through training, information, and in-vehicle technology

Climate Change — Achieving Carbon Neutrality
— continued

ESRS E1-3, ESRS E1-4

Long-term, we expect that carbon neutral cars and vans globally will be powered by some combination of electricity, hydrogen, and hydrocarbon fuels from sustainable sources, depending on infrastructure, technology development, policy, and customer acceptance. (See graphic Future Carbon-neutral Transportation Options.) The challenge, however, as highlighted by the scenario analysis, is not only meeting the need for a diverse set of environmentally friendly technology solutions globally, but flexibly developing and offering solutions that are responsive to the changing needs of our consumers.

We will continue to improve fuel economy and reduce GHG emissions across our global vehicle portfolio, while rapidly scaling our EV production rate.

Vehicle Design
Our early EV actions have contributed to current GHG reductions, as well as improvements in fuel economy in our internal combustion engine (ICE) and hybrid vehicles. These will continue to be key levers going forward as we transform the portfolio.

Our efforts also include the development of hydrogen fuel cell technology for our medium- and heavy-duty vehicles. In partnership with the U.S. Department of Energy (DOE) we will develop and demonstrate hydrogen fuel cell electric Class-5 Super Duty trucks through the DOE SuperTruck 3 program. With this project, we intend to show that fuel cell electric technology offers cost, payload, towing, and refueling times that are approaching those of conventional gasoline and diesel trucks.

Read More

In Electric Vehicles, Batteries and Charging Infrastructure on p.34
In ICE and Hybrid Advancements on p.38

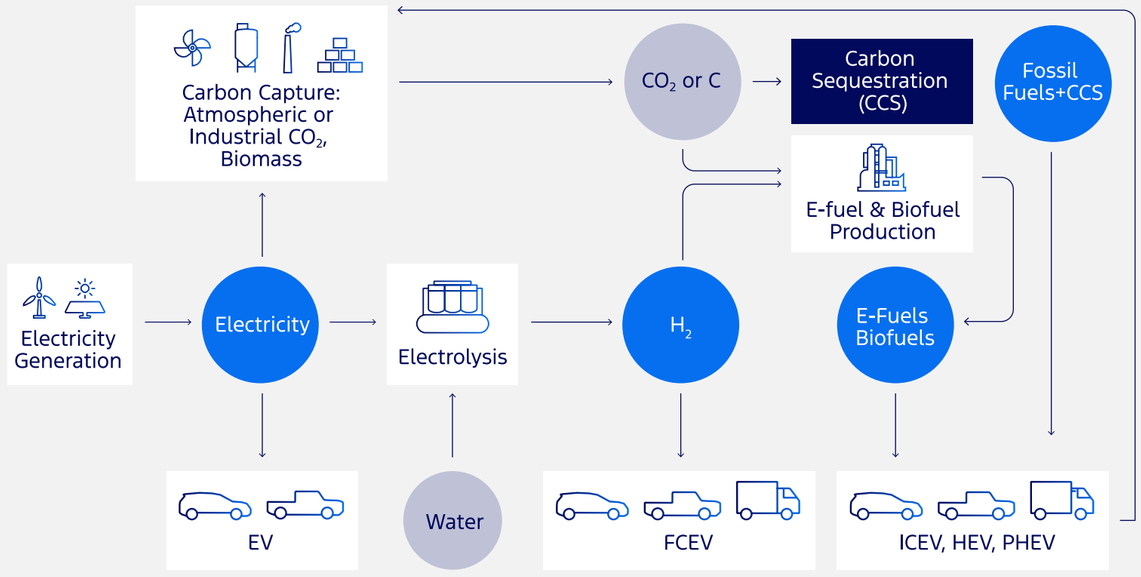
Lower-carbon Energy Options
As the electric grid continues to shift to carbon-free energy sources, CO_2 emissions from electricity production are expected to further decrease, creating even greater CO_2 emissions savings, particularly for EVs.

According to Argonne National Laboratory's GREET 2023 model, compared to conventional port fuel injection (PFI) gasoline engine with 10% ethanol (E10) vehicles, EVs reduce GHG emissions almost 60% when charged with U.S. average grid electricity. (See EV Emission Savings on page 63 to see how this translates to Ford products.) When electricity is produced using carbon-free energy, the in-use GHG reduction is up to 100% on a well-to-wheels basis.

The GREET model also shows possible GHG reductions for alternative fuels, enabling our customers to reduce their carbon footprint during the transition to electric vehicles. GHG emissions can be about 15% lower for diesel and compressed natural gas (CNG) vehicles, 25% lower for 20% biodiesel blend (B20) vehicles, and 30% lower for 85% ethanol from corn (E85) vehicles.

GHG emission reductions of about 55% are possible with hydrogen fuel cell vehicles using "grey" hydrogen produced by steam methane reforming (SMR) of natural gas. Using "blue" hydrogen (produced mainly by SMR coupled with carbon capture and storage), or "green" hydrogen (produced by electrolysis from carbon-free electricity), fuel cell vehicles can have 80-95% well-to-wheels GHG reduction. Green hydrogen could also be used to synthesize synthetic fuels made from electricity often called e-fuels. (See graphic Future Carbon neutral Transportation Options.) While e-fuels are not yet commercially available, they have the potential for 95% GHG reductions over the entire life cycle compared to ICE vehicles, according to FVV[25].

Future Carbon-neutral Transportation Options



EV: Electric vehicle; **CCS:** carbon capture and storage; **FCEV:** fuel cell electric vehicle; **HEV:** hybrid electric vehicle; **ICEV:** internal combustion engine vehicle; **PHEV:** plug-in hybrid electric vehicle

Climate Change — Achieving Carbon Neutrality
— continued

ESRS E1-3, ESRS E1-4

We offer our customers many vehicles that are capable of using these reduced-GHG fuels. All our diesel vehicles are compatible with low-level biodiesel blends including B20 in the U.S., Thailand, and Malaysia; B7 in Europe; B30 in Indonesia; and B15 in Brazil. Also in Europe, our Transit, Transit Custom, Transit Courier, Transit Connect, and Ranger are compatible with renewable paraffinic diesel fuels such as HVO, renewable diesel, and e-diesel, and can be used at higher blends, typically from 33% to 100%. See table, Vehicles Powered by Alternative Fuels.

Supporting Customers

We offer a comprehensive and flexible range of electric and efficient internal combustion vehicles, including hybrids. To facilitate the transition, we are working to make EVs more accessible to millions, addressing barriers to entry such as charging and cost, and improving the EV customer purchase experience.

To meet our commercial customers' growing demand for value and productivity as well as sustainable products, Ford Pro combines digital and physical services to help optimize and maintain customer fleets while offering public, depot, and employee home charging of EVs, including the use of carbon-free energy. Our advanced telematics systems contribute to fuel efficiency and reduced emissions by helping commercial customers optimize delivery or service call routes, including to put the right vehicle in the right place for the right job, and providing in-vehicle training for drivers to develop more efficient operating habits.

Read More

In Electric Vehicles, Batteries, and Charging Infrastructure on p.34

Vehicles Powered by Alternative Fuels

Conventional Fuel	Alternative Fuel(s)	Production Method and Feedstocks	Typical Blend Levels in Gasoline or Diesel (varies by region)	Vehicle Type	Ford Vehicle Models
Gasoline	**Ethanol (low and high level blends)**	Fermentation of corn starch or sugar cane (1st generation) or from non-food biomass (2nd generation)	10%, 15%, 28%, or up to 85% in gasoline	Conventional spark-ignited IC engine. Flex-fuel vehicle (FFV) adaptions for E85	**Low-level blends** compatible in conventional vehicles for each region **E85 (U.S.):** F-150, F-250, F-350, F-450 Super Duty, Police Interceptor Utility, Transit, Transit Connect, Transit Cutaway/ Chassis Cab, E-350, E-450 Cutaway and Stripped Chassis **E85 FFV (France and Sweden):** Kuga, Fiesta, Puma, Focus, Transit Connect
	E-gasoline	Chemical synthesis using CO_2, electricity[26], and water	Not yet available, theoretically up to 100% in gasoline	Conventional spark-ignited IC engine	Expected to be compatible in all conventional gasoline vehicles
Diesel	**Biodiesel**	Transesterification of plant oils (soy, canola, rapeseed, corn, palm) or animal fats	5%, 7%, 20% in diesel fuel	Conventional compression ignition IC engine	**B7 (Europe):** All diesel models **B20 (U.S.):** F-250, F-350, F-450, F-550, F-600, F-600, Super Duty Pickups and Chassis Cabs; F-650 and F-750 Medium Duty Chassis Cab
	Paraffinic diesel (renewable diesel, E-diesel)	Hydrotreating of plant oils or animal fats. Chemical synthesis using CO_2 or biomass, electricity[26], and water	33% to 100% in diesel fuel	Conventional compression ignition IC engine	**R33 (Europe):** All diesel models **R100 (Europe):** Transit, Transit Custom, Transit Courier, Transit Connect, Ranger
Not applicable	**Compressed Natural Gas (CNG, also biomethane, e-methane)**	Natural gas from fossil resources. Anaerobic digestion of biomass. Chemical synthesis using CO_2, electricity[26], and water	Not applicable	Spark-ignited IC engines with CNG fuel system	**Wide range of U.S. commercial vehicles with CNG/Propane prep kits:** F-250, F-350, F-450, F-550, F-600, F-650, F-750, Transit Connect, E-Series Cutaway, F-59, F-53 RV Stripped Chassis
	Liquefied petroleum gas (LPG)	Propane and butane from fossil resources	Not applicable	Spark-ignited IC engines with LPG fuel system	
	Compressed hydrogen (H_2)	Steam reforming of methane or electrolysis[26] of water	Not applicable	Fuel cell vehicle or spark-ignited IC engines with H_2 fuel system	

Climate Change — Achieving Carbon Neutrality
— continued

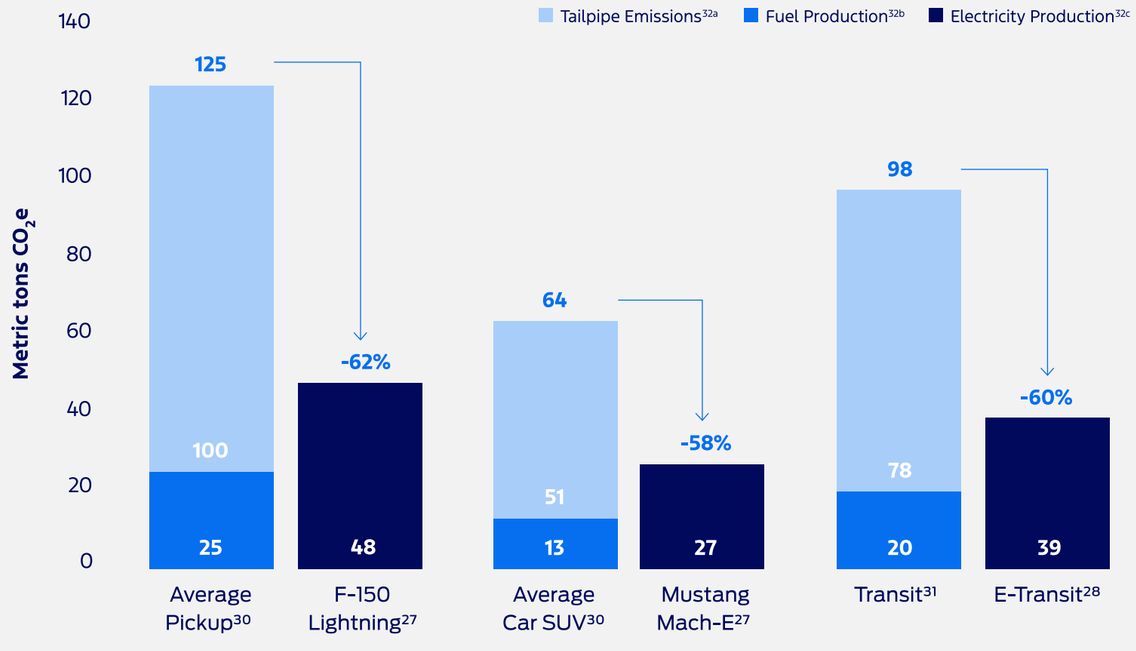
ESRS E1-3, ESRS E1-4

EV Emission Savings

Driving a Ford EV[27,28] that is charged using U.S. grid-average electricity[29] can reduce GHG emissions by as much as 62% compared to driving a similar internal combustion engine vehicle (ICEV)[30,31]. The savings include GHG emissions emitted during both fuel production and at the tailpipe of the ICEV, together known as well-to-wheels emissions[32], and the production of the electricity used for charging the EV.

As the electric grid continues to shift to carbon-free energy sources, GHG emissions from electricity production are expected to further decrease, creating even greater GHG emissions savings. The calculated savings vary slightly each model year due to annual changes in the EV efficiency, the fuel consumption of the average internal combustion engine (ICE) vehicle, and the carbon intensity of the electric grid.

Lifetime Use Emissions[32] (well-to-wheels per vehicle)



What does this mean for the environment?

F-150 Lightning Platinum[27,32d] (ext. range)

Lifetime EV GHG Savings vs. ICE Vehicle (metric tons)

77

GHG savings are equivalent to

8,664

gallons of gasoline not used[33]

Mustang Mach-E RWD[27,32d] (base range)

Lifetime EV GHG Savings vs. ICE Vehicle (metric tons)

37

GHG savings are equivalent to

4,163

gallons of gasoline not used[33]

E-Transit[28,32d] (low roof)

Lifetime EV GHG Savings vs. ICE Vehicle (metric tons)

59

GHG savings are equivalent to

6,639

gallons of gasoline not used[33]

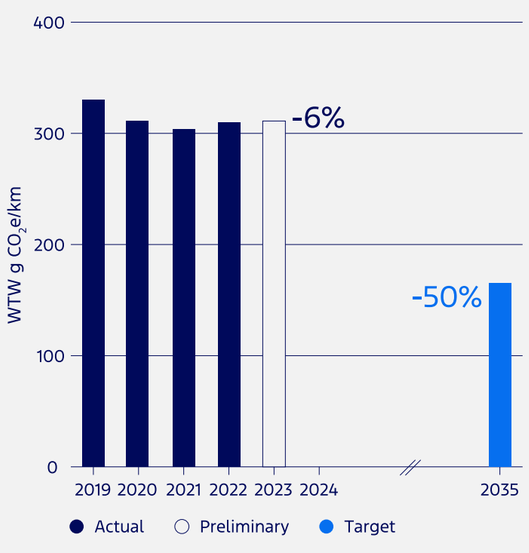
Climate Change — Achieving Carbon Neutrality
— continued

ESRS E1-3, ESRS E1-4

Performance
We are on track to achieve our 50% reduction target for Scope 3 vehicle use, as shown in graph, SBTi Scope 3 Use of Sold Products Target and Progress. Our preliminary estimate for 2023 shows the average GHG intensity of the vehicles we sold in 2023 will be about 6% lower than for the vehicles we sold in 2019. The preliminary data for 2023 indicate the fleet average CO_2e-intensity is about the same as in 2022.

And we estimate the absolute Scope 3 emissions from the use of sold products (vehicles) will be reduced by about 21% since 2019.

SBTi Scope 3 use of Sold Products Target and Progress



Outlook
EVs are the core of our decarbonization strategy. Currently, the EV market is rapidly changing — demand has been slower than expected and prices are coming down towards parity with internal combustion engine (ICE) vehicles. We need to continue to adapt to remain competitive. That means offering high-quality, differentiated products and services at a price point customers are willing to pay. As we scale our EV business to match demand, we can take advantage of increased plant capacity, design and manufacturing efficiency initiatives, and improving battery costs to help increase the value proposition of our EVs and grow our market share. We also expect EV technology to continue to develop with decreasing associated costs and for the grid to decarbonize, giving us confidence in achieving our long-term GHG reduction targets.

Complementary to our EV strategy, we continue to offer customers broad choice with lower emissions during the transition to fully carbon neutral transportation. For example, fuel efficient hybrids are growing in popularity, particularly in markets where EV infrastructure is not mature. Ford has been selling hybrid vehicles for more than two decades. In 2023, we sold nearly 280,000 hybrids globally, up nearly 20% year over year, and we expect them to continue growing this year.

Operations — Scope 1 and 2

Target — GHG Reductions
Ford has set a science-based target, approved by SBTi, to reduce Scope 1 and 2 GHG emissions by 76% by 2035, relative to a 2017 baseline.

Methodology — GHG Reductions
This reduction target is based on the SBTi 1.5°C cross-sector absolute contraction pathway of 4.2% annual, linear GHG reduction. Scope 1 emissions account for 30% while Scope 2 represents 70% of the emissions in the baseline year. Scope 2 emissions are market-based.

This target accounts for approximately 1% of Ford's total GHG emissions and covers 100% of the total Scope 1 and 2 emissions. This means that target covers 100% of our operations (manufacturing and non-manufacturing) that are defined in our Inventory Management Plan as being within Ford's operational control and includes many of our global joint venture (JV) manufacturing facilities.

We ensure that our Scope 1 and 2 target is consistent with our GHG inventory boundaries through our GHG inventory and associated management plan, aligned with the GHG Protocol and ISO 14064-3. The inventory management plan clearly defines our operational boundaries, emission sources, and associated methodologies, to ensure consistency from year to year.

For example, we have defined our organizational boundaries using the operational control approach. This approach was selected as we believe it yields the most comprehensive and accurate accounting of Ford's global footprint, as the majority of Scope 1 and 2 GHG emissions are generated from manufacturing facilities and offices which Ford owns and operates. Each year, Ford reviews a comprehensive listing of properties, buildings, and spaces owned and leased by Ford Motor Company for inclusion or removal from the GHG inventory.

This same process is used to ensure that data for the baseline and subsequent years are representative. The base year 2017 was chosen to be consistent with previously released CO_2e reduction targets; it was also seen as a representative production year. We did not use 2020 as a baseline due to the COVID pandemic and global microchip shortages resulting in lower production volumes.

An annual third-party verification process validates our emission inventory. Following verification, final metric status is shared internally with the Vice President, Chief Sustainability, Environment, and Safety Officer as part of the Global Sustainability & ESG Meeting. This meeting is also used to review intermediate data mid-year.

Target — Carbon-free Electricity
Use 100 % carbon-free electricity in all manufacturing facilities by 2035.

Methodology — Carbon-free Electricity
Procuring carbon-free electricity is one of Ford's key decarbonization objectives in achieving our science-based Scope 1 and 2 GHG reduction target. Progress is measured against the same base year of 2017.

This target covers all of the global manufacturing plants where we have operational control. The same methodology for the GHG reduction target is used to ensure that GHG coverage for this target is consistent with our GHG inventory boundaries and that the data for the baseline and subsequent years are representative. This target also goes through the same verification process as described for the GHG reductions target.

Decarbonization Levers, Actions, and Investments
To achieve our operational emissions reduction goals and realize our carbon neutral future, we are using energy more efficiently, reducing GHG emissions from our operations and increasing our use of carbon-free energy.

Climate Change — Achieving Carbon Neutrality
— continued

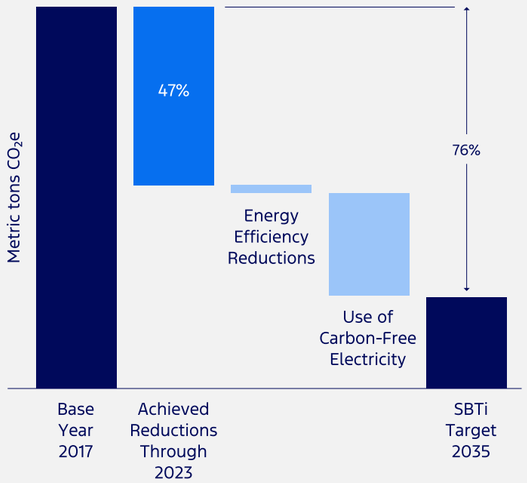
ESRS E1-3, ESRS E1-4

The expected relative contributions of the different levers to reach our SBTi 2035 targets are shown in chart Key Decarbonization Levers for 2035 SBTi Target — Scope 1 and 2. Past energy consumption and mix data; energy intensity and GHG intensity based on net revenue; and gross Scopes 1 and 2 emissions are found in the Performance Data section of this document.

Read More

In Performance Data on p.135

Key Decarbonization Levers for 2035 SBTi Target — Scope 1 and 2



Energy Efficiency and GHG Reductions

Energy efficiency is a priority as we modernize existing plants and design new ones. Our energy efficiency and conservation efforts over the past decade have focused on improvements to lighting, compressed air, rotating equipment (fans, pumps, and motors), heating systems, and process system optimization.

Our Energy Management Operating System, launched in 2013, delivers both energy efficiency projects and energy conservation measures, with Plant Energy Teams assigned at each plant to set priorities and implement measures. For example, a significant lighting project at Kansas City Assembly Plant in 2023 is projected to result in 3,894 metric tons of CO_2e reductions annually.

We also participated in the US Department of Energy's 50001 Ready Program which helped us update and better integrate the ISO 50001 management systems approach into our Energy Management Operating System. As a result, we have 31 Ready-recognized sites in the U.S., including all of our U.S. manufacturing locations. Although only U.S. manufacturing sites are able to be recognized by the DOE under the Ready program, all of our manufacturing locations globally reap the benefits of this program, as the approaches have been integrated into our Energy Management Operating System.

Looking to the future, we are focused on driving energy efficiency throughout the manufacturing process. In particular, we are making significant investments in our plants to reduce and eventually eliminate Scope 1 natural gas emissions which present a significant challenge for our operations. For example, we are investing in a project at Ohio Assembly Plant to reduce CO_2 emissions associated with natural gas combustion in their paint shops.

With an investment of $2 billion, our Cologne plant is currently being transformed into the Cologne Electric Vehicle Center. Major updates to the production facility, with new energy-efficient solutions, will save more than 2,000 metric tons of CO_2e and more than 2,600 megawatt hours (MWh) of electric energy per year. In 2024, the Cologne Electric Vehicle Center will produce the new Ford Explorer, our first European-built, all-electric passenger car. A second all-electric passenger car will follow later in the year. (See box Achieving Carbon Neutrality at Cologne EV Center for more details.)

We are also ensuring that our new offices are energy efficient. In Dearborn, we are transforming the Research and Engineering Center into a high-tech, efficient, and forward-thinking campus.

Read More

In ICE and Hybrid Vehicles on p.38

Achieving Carbon Neutrality at Cologne EV Center

To achieve carbon neutrality, Ford will reduce the use of energy and emissions in the Cologne plant by implementing new processes, machinery, and technologies. All electricity and natural gas required to operate the facility is carbon neutral based on being 100% certified renewable electricity and biomethane.

The heat required to warm the facility and processes is carbon neutral, as the local energy provider will offset the corresponding emissions from the assembly plant on behalf of Ford. The heat is generated by an external power plant and waste incineration plant and provided through a dedicated steam network to Ford.

The local energy provider plans to reduce their operating emissions for this heat delivery by approximately 60% in 2026 and then eliminate these emissions completely by 2035. Once fully operational, Ford's Cologne EV Center will be independently certified as carbon neutral. This independent certification will be audited and reconciled on a regular basis against purchasing high-quality carbon offsets for any remaining emissions.

Climate Change — Achieving Carbon Neutrality — continued

ESRS E1-3, ESRS E1-4

Carbon-free Energy

The use of carbon-free electricity is one of Ford's key decarbonization levers in achieving our science-based Scope 1 and 2 GHG reduction target and 100% carbon-free electricity (Scope 2) for our global manufacturing by 2035. Carbon-free electricity is defined as including a mix of wind, solar, nuclear, geothermal, biomass, and hydro power.

This is primarily achieved through installation of on-site renewables and through purchase of carbon-free electricity in the form of Energy Attribute Certificates or similar market mechanisms. We have already made significant investments and we will continue to invest and partner with utilities going forward to secure carbon-free electricity globally. See examples below, Carbon-free Electricity in Michigan and Global On-site Renewable Projects.

Our new Tennessee Electric Vehicle Center, when operational at BlueOval City in 2025, will source 100% carbon-free electricity from the local utility guaranteed through Energy Attribute Certificates. Furthermore, for the first time in 120 years, a Ford assembly plant will use recovered energy from the site's utility infrastructure and geothermal system to provide carbon-free heat for the assembly plant — saving about 300 million cubic feet of natural gas typically needed each year to heat similarly sized vehicle assembly plants. This equates to roughly 16,000 metric tons of CO_2e savings annually.

Carbon-free Electricity in Michigan

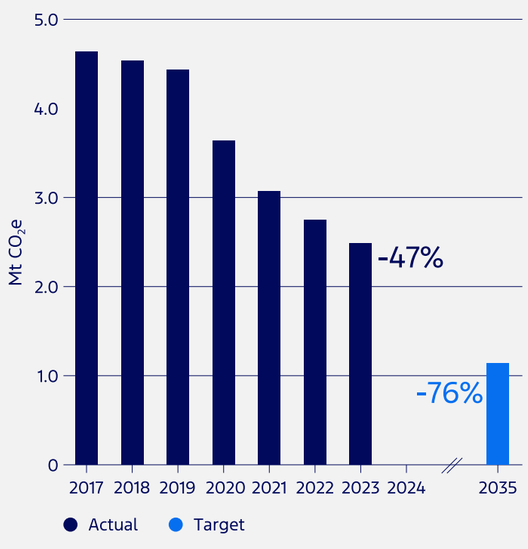
Through an agreement with DTE Energy, Ford will soon be able to attribute all our electricity supply in Michigan to carbon-free sources, a major step toward our goal of carbon neutrality. As part of the agreement, DTE will add 100 megawatts of new solar energy capacity in Michigan for Ford by 2026, and an additional 510 megawatts by the end of 2027. The purchase is a strategic investment in Michigan through DTE's MIGreenPower program and is the largest renewable energy purchase ever made in the U.S. from a utility. According to data collected by the Solar Energy Industries Association, once installed, the arrays will increase the total amount of installed solar energy in Michigan by nearly 70%.

By 2026, every Ford vehicle manufactured in Michigan will be assembled with the equivalent of 100% carbon-free electricity, 9 years earlier than Ford's global goal. By achieving 100% carbon-free electricity for all manufacturing locations in Michigan, Ford will avoid close to 600,000 metric tons of CO_2e annually. Ford's purchase will also serve to improve the local environment and add resiliency to the local grid.

Performance

By securing a carbon-free and reliable energy supply for many of our non-manufacturing and manufacturing facilities, and making our facilities even more efficient, we have achieved a 47.0% reduction in Scope 1 and 2 GHG emissions. We on track to achieve our 2035 76% reduction target, being almost two-thirds of the way there.

SBTi Scope 1 and 2 Target and Progress



We also track other related metrics. In 2023, we reached a 49.0% reduction in our absolute manufacturing GHG footprint from 2017 levels, a subset of the total Scope 1 and 2 emissions target for all facilities (manufacturing and non-manufacturing). This surpasses our commitment to reduce our global manufacturing Scope 1 and 2 GHG emissions by 18% by 2023 from a 2017 base year.

The status in 2023 of carbon-free electricity for our global manufacturing operations was:

- Carbon-free electricity — 70.5%
- Renewable electricity — 50.8%

Regionally, we have made significant progress toward these objectives. We achieved the equivalent of 100% carbon-free electricity sourcing for our manufacturing facilities in Europe, Mexico, and Ohio. We are also on track to source 100% carbon-free electricity in Michigan by 2026 through partnerships with local utilities. (See box Carbon-free Electricity in Michigan.) These achievements are at least 10 years ahead of our global goal.

Outlook

Our primary decarbonization lever is carbon-free electricity. Early procurement of carbon-free electricity has allowed us to significantly overachieve our objective to reduce manufacturing Scope 1 and 2 GHG emissions by 18% by 2023. Looking ahead, continuing to implement energy efficiency measures and eliminating Scope 2 emissions from electricity by 2035 will enable us to meet our SBTi Scope 1 and 2 GHG emission reduction target.

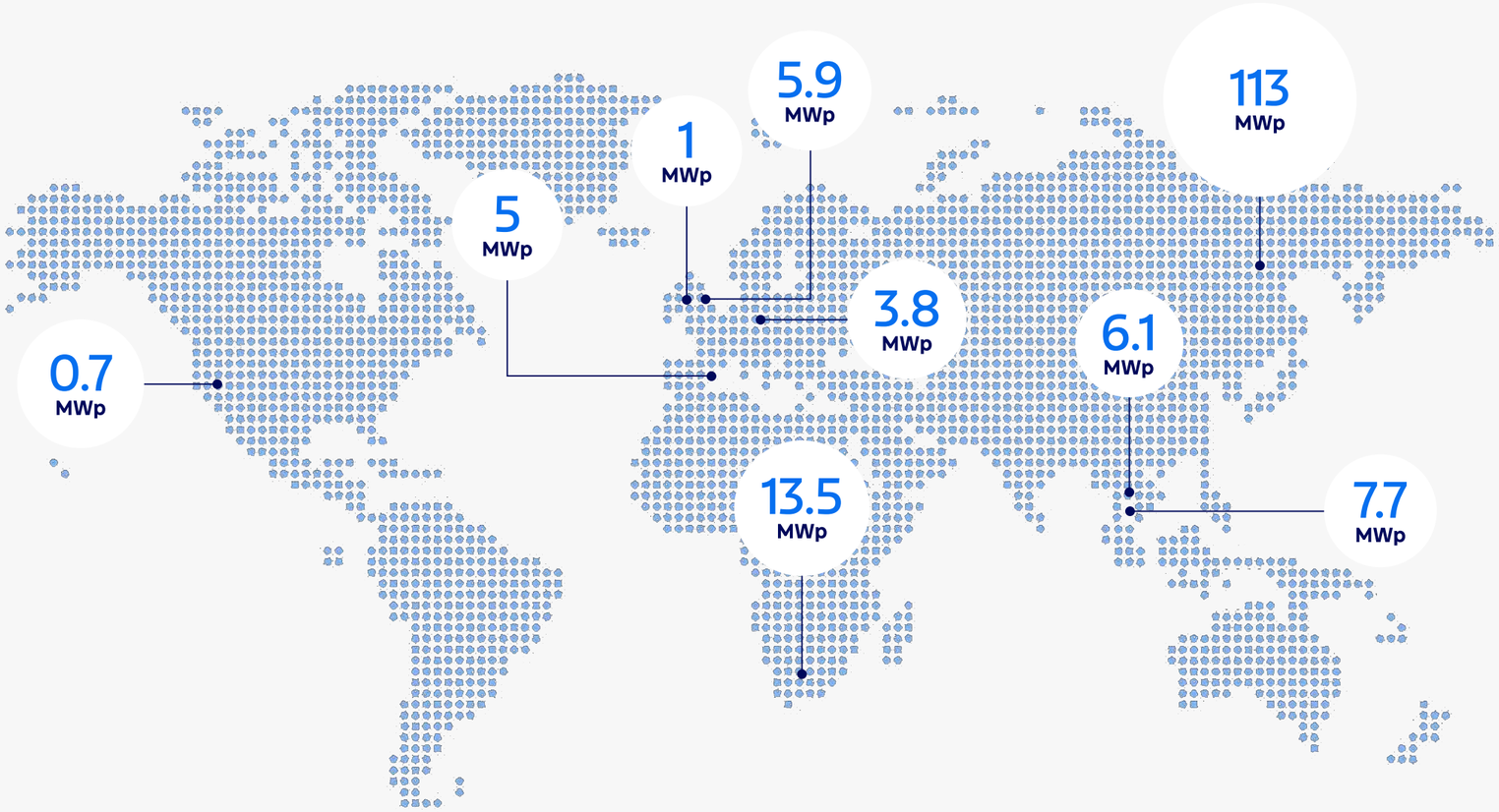
Battery production for the electrification of our fleet will significantly increase the amount of electricity required. And while we are confident that we will be able to procure 100% carbon-free electricity by 2035, there may be some periods where demand outpaces supply as society also becomes increasingly electrified and the demand for electricity grows. To avoid shortfalls, we will continue to invest in and partner with utilities to secure sufficient carbon-free electricity globally.

Climate Change — Achieving Carbon Neutrality
— continued

ESRS E1-3, ESRS E1-4

Global On-site Renewable Projects

On-site generated renewable energy production was 115,739 MWh in 2023.



Key

Solar

Wind

0.7 MWp

United States
Sacramento HVC/HCC Regional Distribution Center

Anticipated to cover 90% of the facility's usage, the system came online Aug 2023.

113 MWp

China — Joint Ventures
Changan Ford facilities in Chongqing and Jiangling Ford

Ford and their partners have installed solar at 5 different plants.

3.8 MWp

Germany
Merkenich, Cologne

The installation, due to be completed by mid-2024, will supply about 6% of the electricity needed for the Ford facilities located in Merkenich including its development center.

6.1 MWp

Thailand — Joint Venture
AutoAlliance Thailand

Ford and their partners increased capacity of their rooftop solar installation in 2023.

5 MWp

Spain
Almussafes Vehicle Manufacturing Facility

Operational since 2022. The installation is capable of producing the equivalent power every year to run 2,300 average homes. This will be extended to 8.6 MWp in the spring of 2024.

7.7 MWp

Thailand
Ford Thailand Manufacturing

Solar installation in the vehicle parking yard covers a total area of 59,000 square meters.

1 MWp

UK
Daventry Parts Distribution Cente

Installed in 2023 and is scheduled to be operational in the first quarter of 2024.

13.5 MWp

South Africa
Ford Silverton Assembly Plant, Pretoria

Sourcing 35% of its electricity from solar power through the installation of solar photovoltaic carports for 3,600 vehicles.

5.9 MWp

UK
Dagenham Engine Plant

Three wind turbines provide enough clean energy to power the final assembly building.

Climate Change — Achieving Carbon Neutrality — continued

ESRS E1-3, ESRS E1-4

Supply Chain — Scope 3 — Purchased Goods and Services

Targets

Ford has established targets to achieve carbon neutrality for our supply chain (Scope 3 emissions — purchased goods and services).

- Europe — across Ford of Europe Tier 1 suppliers for Scope 1 and 2 GHG emissions by 2035.
- Global — across all suppliers, for all scopes, no later than 2050.

Decarbonization Levers, Actions, and Investments

Our supply chain is essential to reducing GHG emissions and achieving our carbon neutrality goals. We are focused on increasing supplier engagement across the supply chain by leveraging the requirements of our Supplier Code of Conduct and engaging in initiatives such as Manufacture 2030. The latter builds on our successful CDP Supply Chain reporting program to better measure progress and help identify areas of concern. We are also focusing on decarbonizing key materials and improving data quality and availability.

Supplier Engagement — The Supplier Code of Conduct

We have outlined conduct guidelines for our suppliers since 2003, and in 2021, established a formal Supplier Code of Conduct that applies clear expectations related to human rights, the environment, responsible material sourcing, and lawful business practices for our supplier. The document was refreshed in 2023 to include Ford in Europe's accelerated carbon neutrality aspiration.

The Supplier Code of Conduct requires Ford suppliers to establish science-based GHG reduction targets, action plans, and transparent reporting mechanisms aligned to support carbon neutrality no later than 2050 globally (all scopes); and for Tier 1 sites shipping to Europe, carbon neutrality by 2035 (Scope 1 and 2). We also require our suppliers to increase energy efficiency and their use of carbon-free electricity, a key enabler to addressing climate change.

All of our production suppliers were required to submit carbon neutrality target dates by the end of 2022. We are using this information to develop a joint roadmap with them on our journey toward carbon neutrality. In 2023, supplier carbon neutrality status was integrated into production sourcing decisions.

Supplier Engagement — Climate Best Practice Program

Ford was among the first American automakers to include our global supply chain on the Manufacture 2030 (M2030) platform. This climate best practice program provides support for our suppliers with measurement, management, and reduction of carbon emissions, water, and waste as we strive to reach carbon neutrality globally.

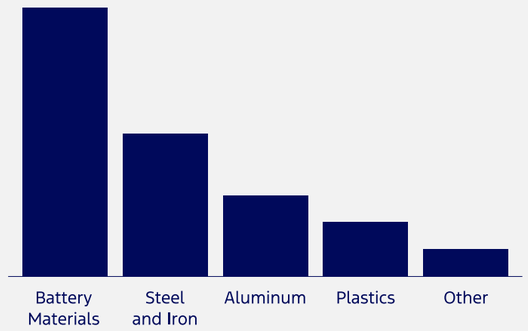
Not only does this program provide support to our suppliers in building an action plan toward carbon neutrality, but it will also help Ford identify and prioritize key focus areas and those suppliers requiring extra support.

In 2023 we opened the voluntary platform up to all of our Tier 1 global supplier sites (over 4,600), including suppliers who have yet to establish science-based targets.

Low-Carbon Materials

From a life cycle perspective for a strong EV portfolio, the highest emitting materials are batteries, steel, aluminum, and plastics as shown in the chart to the right. Note that this is only illustrative, the relative amounts will vary depending on the vehicles.

Representative Electric Vehicle Material Supply Chain Emissions (kg CO_2e/vehicle)



Batteries

In Europe, new regulations will require manufacturers to report on their supply chain carbon footprint and extended producer responsibility for proper battery recycling. In advance of the European Battery Regulation, Ford is participating in EV battery pilots to support compliance with both of these requirements.

Read More

In Human Rights on p.96

Steel and Aluminum — First Movers Coalition

The First Movers Coalition is a global initiative to harness purchasing power and supply chains to create early markets for innovative clean energy technologies. More than 90 companies comprise the coalition to help accelerate the adoption of emerging climate technologies. By 2030, these commitments will represent an annual demand of $16 billion for emerging climate technologies and 31 million tonnes (Mt) CO_2e in annual emissions reductions. Ford has pledged to purchase at least 10% low-carbon aluminum and near-zero steel by 2030.[34]

Plastics

Recognizing the important role the circular economy plays in reducing emissions embedded in our vehicles, we have set a target to use 20% recycled and renewable plastics in new vehicle designs for North America, Europe, and Turkey by 2025. Our target for China is 10%.

Read More

in Circular Economy and End of Life on p.76

Our Supplier Code of Conduct requires Ford suppliers to use recycled and renewable materials where possible in packaging. It also mandates that suppliers increase their use of recycled content and improve the recyclability of Ford products through material selection and product design as approved by Ford.

Data Quality and Availability — Catena-X

In an effort to increase the transparency of our supply chain, we have engaged with the Catena-X Automotive Network, which was established to improve sustainability and efficiency across the automotive supply chain through continuous data exchange between partners. Ford joins a wide range of partners from business and science in this unprecedented collaboration between companies in the automotive industry.

As a digital ecosystem and collaborative network, Catena-X will create uniform standards for data and information exchange across the automotive value chain. This includes the calculation of product carbon footprints and facilitating the exchange of primary CO_2 data, a key to understanding embedded emissions in vehicles and driving reductions. In 2023 we joined with Cofinity X for the beta phase of testing and selected partners for a product carbon footprint study that will collect data up to Tier 4 suppliers.

Climate Change — Achieving Carbon Neutrality
— continued

ESRS E1-3, ESRS E1-4

Performance
We have seen significant improvements in supplier engagement in 2023, particularly for CDP and Manufacture 2030 (M2030) responses. For example, we had a 20% increase in supplier CDP responses over 2022. It is also encouraging to see a number of our large Tier 1 suppliers engaging on the M2030 platform and requiring their suppliers to participate, which is an important step in tackling our Tier 2 emissions.

Furthermore, integrating carbon neutrality into our sourcing decisions was a key step in changing how we do business. This, along with our continued engagement with suppliers to understand their commitment, will help ensure future progress.

Helping us meet our commitment to the First Movers Coalition and our carbon neutrality aspirations, Ford is taking steps to secure a supply of near-zero emissions steel and low-carbon aluminum for future products. Ford has signed non-binding memorandums of understanding (MoUs) with strategic aluminum and steel suppliers to secure a supply of of near-zero emissions steel and low-carbon aluminum and significantly improve the carbon footprint of our supply chain, of which aluminum and steel production is a key component. In 2023 we met with these strategic suppliers to understand the required transformation, including the significant increase in demand for carbon-free electricity and hydrogen.

In 2023 we also communicated with suppliers impacted by the EU Carbon Border Adjustment Mechanism (CBAM) and began collecting primary direct GHG emissions data for CBAM impacted parts.

Outlook
Decarbonizing the supply chain is a complex task of growing importance as we electrify our portfolio. Increasing collaboration to cost-effectively reduce the GHG emissions of our materials and parts while improving data availability and quality are key enablers going forward.

Increasing our use of renewable energy, including green hydrogen, is the most important external factor in the transition to low-carbon materials. Significant investment in these and other technologies is critical — as is governmental funding and policy support to help facilitate the transition.

GHG Removals and Mitigation Projects Financed through Carbon Credits
ESRS E1-7

The GHG removals and GHG mitigation projects financed through carbon credits mentioned here do not contribute to our GHG reduction targets. Any financed carbon credits proposals are evaluated by the offsetting review board, composed of a cross-functional team of experts, based on strict criteria in terms of what is being offset and how it is being offset. The proposals are approved at the Global Sustainability & ESG Meeting. For example, it is required that project GHG reductions should be on track for a science-based pathway, have an end date to the usage of offsets and the amount must be below Ford's defined threshold. The offsets that are purchased need to be third-party certified, highly additional, permanent, and with no leakage.

No offsets were purchased in 2023 for use of making carbon neutral claims. As previously noted, however, once fully operational, the Cologne EV Center will be independently certified as carbon neutral. The details of the amount and the chosen financed carbon credit projects will be disclosed in future reports.

Climate Change

Scenario / Resilience Analysis

E1 SBM-3

Our Approach to Resilience Analysis

The scenario analysis informs the Company about how to position itself appropriately on climate risks, related opportunities, and the resilience of our strategy and business operations. Each scenario requires a high-level qualitative assessment of the potential impact of the scenario and climate-related issues on Ford's financial performance (revenues and costs) and financial position (assets and liabilities).

A team of internal experts qualitatively evaluated our corporate strategies assessing our resilience to each scenario. The team reviewed the scenario assumptions, brainstormed scenario implications to industry and Ford, and considered whether our strategies and investments are resilient to future business environments. The resilience analysis was conducted for the entire value chain with focus on our own operations and the supply chain. All previously discussed climate-related impacts, risks, and opportunities were considered in the analysis. Our scenario analysis covers a 2035-2045 time horizon. This is aligned with our current interim 2035 Science Based Target initiative (SBTi) Targets. It is far enough into the future, as it will take time to decarbonize the transportation system, yet still relevant for Ford's strategic planning processes. These scenarios are not predictions of the future and do not represent forecasts.

The 2023 published analysis was refreshed at the beginning of 2024, including adding a high emissions and temperature scenario. The process of climate scenario analysis is evolving, and we expect the approaches and data quality to improve over time, which will further contribute to our understanding of climate risks and opportunities, and help strengthen our ability to adapt to climate change. This will include, in the future, the consideration of estimated anticipated financial effects from material physical and transition risks.

Introduction to the Scenarios

We use the International Energy Agency's (IEA) World Energy Outlook (WEO) and Intergovernmental Panel on Climate Change (IPCC) scenarios as authoritative sources aligned with state-of-the-art science for global energy projections that are relevant to our global footprint. WEO scenarios provide insight into energy supply and demand with implications for climate targets and economic development. Of the three WEO scenarios, we use the Stated Policies Scenario (STEPS) and the Net Zero Emissions by 2050 (NZE) Scenario shown in the table 2035-2045 Scenario Comparison Overview. We also include the IPCC Representative Concentration Pathway 8.5 (RCP8.5) high emissions and temperature scenario. Like the WEO scenarios, RCP8.5 has underlying projections of energy consumption and socio-economic factors. These three scenarios cover conditions from high climate ambition to status quo to significant climate impacts, providing a useful range of circumstances to cover relevant risks and uncertainties in Ford's value chain.

The three scenarios:

- The Net Zero Emissions by 2050 Scenario (NZE) shows the global energy sector achieving net zero CO_2 emissions by 2050, with advanced economies reaching NZE ahead of others.
- The Stated Policies Scenario (STEPS) is a pragmatic exploration of the current policy landscape, mapping out a trajectory of policies that are in place or under development by governments around the world.
- The IPCC's Representative Concentration Pathway 8.5 (RCP8.5) considers a case with high energy demand and GHG emissions growth in the absence of climate policies, leading to high temperature increase.

2035–2045 Scenario Comparison Overview

	Net Zero Emissions by 2050 Scenario (NZE)	Stated Policies Scenario (STEPS)	High Emissions/Temperature Scenario (RCP8.5)
Temperature Increase (2040 est.)	1.5°C	~1.8°C	2°C
Policy	Global policy implemented to limit temperature rise to 1.5°C. CO_2 pricing rises rapidly in all regions	Today's policies with no changes Existing and planned CO_2 pricing	No explicit climate policy
Technology	Deploys a wide portfolio of clean energy technologies	Evolutionary growth	Modest progress, focusing on unconventional fossil energy development and food security
Energy Consumption (EJ) 2022 to 2040	632 to 528, -16.5% (elec +29%)	632 to 692, +9.5% (elec: +18%)	650 to 1,000, +54%
Energy Mix	58% renewables & biomass	28% renewables & biomass	18% renewables & biomass
Energy Prices in 2030s	Oil averages $42/bbl	Oil averages $85/bbl	Fossil fuel prices double by mid-century (vs 2005)
EVs in 2030s	Higher EV adoption across markets	Lower EV adoption in advanced economies	Extremely limited EV adoption; continued reliance on oil in the transport sector
Environment	Less severe weather events	Increasing severe weather events	Frequent and severe weather events
Economy	3% average annual growth	3% growth slows due to high rebuilding costs	3% growth, but low per capita income increase as population growth is high. Little convergence between high- and low-income countries

Climate Change — Scenario / Resilience Analysis
— continued

E1 SBM-3

Common Assumptions for WEO Scenarios[35]
Many assumptions are common between the STEPS and NZE scenarios as described by the WEO:

- The global economy is assumed to grow by ~3% per year on average over the period to 2050, with large variations by region and over time
- GDP per capita in emerging market and developing economies continues to gradually move toward the levels in advanced economies
- The global population is assumed to rise from 7.8 billion people in 2021 to 8.5 billion in 2030 and 9.7 billion in 2050
- Improvements in health, diet,and living conditions have gradually lifted life expectancy of the global population by a decade over the past 40 years. Coupled with declining fertility rates, this translates into a rising share of older people in the global population. An older population uses more energy than the average population at home, but less for transport
- The share of the global population living in towns and cities is expected to rise to almost 70% by 2050. Urban development has implications for patterns of energy use
- Technology costs are crucial in determining how demand for energy services is met in each sector or country. The cost of energy technologies evolve over time in the scenarios as a result of continued research, improvements in manufacturing and learning-by-doing. However, a continuous process of technology improvement and learning is built into the modeling. A reduction in clean technology costs is assumed, albeit with variations depending on the level of policy support and extent of deployment

The Net Zero Emissions by 2050 Scenario (NZE)[36]
This is a normative IEA scenario that shows a narrow but theoretically achievable pathway for the global energy sector to achieve net zero CO_2 emissions by 2050, with advanced economies reaching net zero emissions ahead of others. This scenario also meets key energy-related United Nations Sustainable Development Goals, in particular, by achieving universal access to energy by 2030. This effort requires increased investment in clean energy and infrastructure output, in both emerging markets and developing economies. The scenario does not rely on emissions reductions from outside the energy sector to achieve its goals but assumes that non-energy emissions will be reduced in the same proportion as energy emissions. It is consistent with limiting the global temperature rise to 1.5°C by 2100 without a temperature overshoot (with a 50% probability).

The Stated Policies Scenario (STEPS)[36]
STEPS provides a more conservative benchmark for the future because it does not assume that governments will reach all announced goals. The scenario is not designed to achieve a particular outcome, and the rise in global average temperatures associated with STEPS is around 2.4°C by 2100 (with a 50% probability). Instead, it takes a more granular, sector-by-sector look at what has been put in place to reach energy-related objectives, taking into account not just existing policies and measures but also those that are under development. The STEPS explores where the energy system might go without a major additional steer from policy makers.

High Emissions/Temperature Scenario (RCP8.5)[37]
The RCP8.5 scenario combines assumptions about high population and relatively slow income growth with modest rates of technological change and energy intensity improvements. With no explicit climate policy, the high energy demand is met primarily by fossil fuels. International trade in energy and technology is limited. There is a slow pace of innovation in non-fossil technology, with only modest cost and performance improvements. Technological progress is focused on advanced fossil technologies, particularly coal, and unconventional oil sources after 2050. GHG emissions more than double by 2050 due to increased fossil energy use and growing agricultural production for the large population.

The Results — Scenario Implications

The results of the resilience analysis are summarized separately for each scenario in the tables below. Key implications for industry and Ford are provided along with a short final assessment for Ford.

Climate Change — Scenario / Resilience Analysis
— continued

E1 SBM-3

Net Zero Emissions by 2050 Scenario (NZE)

Scenario	Industry Implications	
• **Policy:** What-it-takes policies to achieve net zero. CO_2 pricing in all regions • **Environment:** Low climate change. Severe weather events increase • **Social:** More local and personal environmental activism • **Economy:** Global growth 3% per year. Economy is driven by new industries providing green solutions and technologies • **Energy prices:** Oil demand drops by 30% by 2030 and prices $42 per barrel • **Technology:** Speed of scaling up innovation is rapid. Governments support R&D and collaborate to reduce costs. EV sales robust	• Significant carbon neutrality progress achieved as EVs become pervasive and consumers are motivated to contribute toward climate solutions • Low cost of oil favorably positions highly efficient internal combustion engine (ICE) vehicles in developing markets while pressure to sunset them remains strong in most regions • Increased collaboration across sectors and within auto industry on key challenges • The electric grid decarbonizes quickly with supporting policy	• Innovation allows for seamless coordination of private and public transportation • Requires multiple mobility solutions for urban, suburban, and rural applications • Massive competition in green space with small, agile companies entering • Fast-paced shift in skills and jobs
	Ford Implications	
	• Rapid migration to EVs in developed countries while less-developed regions that struggle to switch to EVs have diverse, low-cost solutions and maintain ICE options • Need to find alternative solutions for medium- and heavy-duty vehicles in response to ICE phase-out plans • Fuel cell emphasis and technological advancement needed to retain commercial truck leadership • Ford Pro solutions become a larger portion of the portfolio and mobility services expand	• Mix of public and private, first-mile and last-mile solutions • Intense competition causes niche focus by smaller players causing Ford to buy up smaller innovative companies and incorporate them into the Company's technology portfolio or increase focus on "major" segments • Occasional disruptions from weather events such as storms, wildfires, or floods affect production at our facilities and must be managed • Cradle-to-grave focus on vehicles enables strong circular economy efforts • Rapidly changing technology requires workforce upskilling and reskilling

Ford Assessment: Technology opportunities and environmental needs align to deliver diverse solution sets addressing climate change during the transition to NZE. Swift action with agile product development processes is required due to heightened competition from newcomers. Challenge in finding winners globally to achieve scale.

Climate Change — Scenario / Resilience Analysis
— continued

E1 SBM-3

Stated Policies Scenario (STEPS)

Scenario	Industry Implications	
• **Policy:** Assumes only policies already announced • **Environment:** High climate change. Significant migration and rebuilding from frequent natural disasters • **Social:** Middle class constrained due to pressure on urban areas. Urbanization is a key driver • **Economy:** Global economy grows 3% per year but slows due to increasing rebuilding costs • **Energy prices:** Oil demand rebounds, $82 per barrel • **Technology:** Technologies get slowly cheaper. EV sales lower than expected and primarily in advanced economies	• Mobility hampered by congestion, air pollution, and severe weather • Decreased demand for personal vehicles due to environmental impact and urban congestion. Increased reliance on public transportation • Increased supply chain disruptions lead to more complexity to avoid dependence on single suppliers or regions • Increased social pressure on companies and governments to take climate action	• The electric grid decarbonizes slowly with limited supporting policy • Buy local initiatives/nationalism increase and undermine global brands • Increased emphasis on individual energy independence as electrical grid ages • Healthcare, safety, and education systems strained by climate events and social unrest • Cost of living impacts and widening wealth gap
	Ford Implications	
	• Lower than expected EV demand requires pricing and policy support • Electric vehicles are required but are expensive. Low demand and lack of policy hinder their profitability • Vehicle solutions must be environmentally friendly (air quality and CO_2) and simultaneously rugged enough to handle severe weather • Electric vehicles can provide a temporary source of electricity during power outages and extreme weather events • Small vehicles, micro-mobility — such as e-bikes and e-scooters, and increased car-sharing satisfy the market for environmentally friendly solutions	• Smart mobility does not reach full potential as foreseen; autonomous vehicles are a niche market • Increased extreme weather events such as storms, wildfires, or floods disrupt production at our facilities. Production delays and cost increases lower sales and decrease profits • Supply chain redundancy needed to prevent weather-related supply chain disruptions. Carbon neutrality and electrification commitments are challenged • Circular economy affects key sectors including battery manufacturing

Ford Assessment: A challenging environment and economy make strategy development complex, but limited policy provides some support for climate-focused actions. Increasing extreme weather events are a clear threat making it easier to gain multi-stakeholder support. Product, service, and supply chain diversification is critical to maintain resilience. Ford must accelerate work toward developing meaningful, market-driven policy solutions to address climate change with urgency.

Climate Change — Scenario / Resilience Analysis
— continued

E1 SBM-3

High Emissions / Temperature Scenario (RCP8.5)

Scenario

- **Policy:** No climate policy
- **Environment:** Highest climate change with severe weather impacts. Poor air quality
- **Social:** Low per capita income, little growth. High disparity between low- and high-income countries
- **Economy:** Percent growth but low per capita income increase as population growth is high. Little convergence between high- and low-income countries.
- **Energy prices:** Oil demand rebounds, ~$82 per barrel
- **Technology:** Technological progress is modest, focusing on unconventional fossil energy development and food security

Industry Implications

- High cost of living leads to less disposable income and widening wealth gap
- Low disposable income leads to decreasing market for personal vehicles. Growth of public transportation systems using fossil fuels
- Emphasis on greater self-sufficiency of individual countries and regions promotes the circular economy
- Limited international trade in energy and technology; greater reliance on domestically available resources
- The aging fossil-based electric grid requires continual maintenance and repair after severe weather events
- Mobility severely hampered by congestion, air pollution due to continued use of fossil fuels for transport, and severe weather
- Little redundancy in supply chain due to domestic focus; disruptions more common
- Environmental concerns are locally strong, especially in high- and medium-income regions; lower-income regions are focused on food security
- Global population increase strains capacity of industrial production

Ford Implications

- Lack of pricing and policy support minimizes the EV market
- Limited EV production. Domestic manufacturing emphasis makes obtaining battery materials for EVs difficult
- Internal combustion engine vehicles (ICEVs) dominate the market in this fossil fuel world. High cost of fuel increases demand for fuel efficient vehicles, making hybrid electric vehicles (HEVs) the standard engine type
- Demand grows for commercial vehicles and public transport; personal vehicle sales decline
- Small, rugged vehicles with higher ground clearance are required to handle severe weather and minimize operation cost
- Recurring extreme weather events, droughts, and flooding require planning for relocation of assembly plants to less affected regions
- Manufacturing becomes regional with local supply chains. Materials are limited and costly requiring vehicle design changes
- Regional circular economy grows with resource scarcity
- Without global supply chain redundancy, weather-related disruptions must be managed. Supplier location vulnerability to physical climate risk is key factor in supplier selection
- Without supporting policies, carbon neutrality and electrification commitments are delayed/abandoned

Ford Assessment: Most difficult scenario in which to implement climate-based strategies due to societal disinterest. Business model maintains ICEV focus for decades with extremely limited or no EV production. Supply chain is fragile, local, and subject to disruptions by frequent extreme weather events, requiring careful management. Circular economy is key to secure resources and reduce costs. Resilience requires major changes from current business plan, with emphasis on smaller commercial vehicle HEV product offerings and locally-sourced raw and recycled materials, but does not achieve climate goals.

Climate Change — Scenario / Resilience Analysis
— continued

E1 SBM-3

Resilience of Ford's Strategy

Key Findings

Through our scenario development process, Ford leaders and subject matter experts identify risks, associated challenges, and opportunities as we work toward our carbon neutrality goal. We have identified the following themes as critical to success: our EV strategy, public policy, workforce, customer experience, finance, mobility and AI, operations, suppliers, and reputation. Below are examples of how these themes are exposed through the scenario analysis.

In the Net Zero Emissions by 2050 scenario, Ford is well positioned to respond to the opportunities of our electric vehicle strategy. Risks in this scenario for Ford, and companies in most industries, include:

- Rapid acceleration of diverse technology solutions that require workforce upskilling and reskilling
- Heightened competition from agile newcomers in the "green space"

Our strategic response includes introducing a new learning strategy at Ford and investing in job training and career readiness initiatives, such as our work to train future employees on advanced batteries at BlueOval SK Battery Park. We will continue to adapt our reskilling process going forward to address our changing vehicle portfolio.

Risks in the Stated Policies Scenario for Ford, and companies in most industries, include:

- Higher costs for available technologies to reduce GHG emissions leading to lower consumer acceptance
- Engineering and financial resources required to deploy new technologies, while maintaining existing technologies across a range of products
- Increased production stoppages at Ford or supplier facilities due to climate-related natural disasters. A significant disruption to our production schedule and lower volumes of more profitable products could have a substantial adverse effect on our financial condition

In the RCP8.5 high emissions and temperature scenario, risks to Ford and society include:

- Increased supply chain disruptions due to climate-related severe weather and drought, which is complicated further by the shift from international to regional supply chains
- Decreased vehicle sales due to lower demand for personal vehicles, EVs sales extremely limited

For both the STEPS and RCP8.5 scenarios there is high risk that Ford, and companies in most industries, cannot decarbonize the entire value chain to reach our climate and energy aspirations.

The lack of a comprehensive, market-driven carbon pricing solution reflects a major shortcoming of the STEPS and RCP8.5 scenarios. Furthermore, without any explicit climate policies, the RCP8.5 high emissions and temperature scenario fails to set climate goals, let alone meet them. Ford faces significant costs to adapt to climate change in this scenario, including relocating facility sites and changing product offerings.

Analysis of the three scenarios indicates that, while consumer preferences and technology choices are changing, there is uncertainty associated with the pace of uptake or the achievable market share of new technologies, such as EVs and autonomous vehicles.

While the NZE scenario suggests high uptake, the competition for market share is increased. In the STEPS scenario, however, lower-than-expected EV demand or increased weather events could result in increased costs and decreased EV sales and revenue. The RCP8.5 scenario shows that without supporting policies, electric vehicle opportunities are extremely limited.

Many factors lead to this uncertainty in EV market penetration. Urban environment trends are expected to be a major determinant of consumer vehicle choice along with policy, infrastructure updates, and realizing affordable technologies. As a result, we expect carbon neutrality to be reached in different product segments and regions at different times. Passenger vehicles will be carbon neutral before larger commercial vehicles, and advanced economies with progressive policies will be carbon neutral before the rest of the world.

In summary, a critical take-away from this future scenario deep dive is a need for a diverse yet global set of environmentally friendly technology solutions that are responsive to the changing needs of our consumers.

Ability to Respond

We are committed to building a profitable, enduring EV business for the long-term. This will help us address the largest source of our GHG emissions and successfully compete in a low-carbon economy. Our EV strategy is to build the greatest vehicles at the lowest cost and invest in innovative, software-enabled customer experiences that our customers love and differentiate our brand. Along this journey we anticipate that EV technology will continue to advance and become more affordable, while the grid will continue to decarbonize, bolstering our confidence in achieving GHG reductions.

Our approach of offering a broad choice of lower emission powertrains also provides us with resilience during the transition period to fully carbon neutral transport. For example, hybrids will be a key product offering during the transition to EVs, particularly in markets where the EV infrastructure is not mature.

We will partner when necessary to address key enablers, leverage scale, and avoid capital destruction, such as being the first automaker to open up Tesla's Supercharger network to our EV customers. Additionally, Ford Pro is an integrated partner helping customers decarbonize their fleets, not just with vehicles but also charging solutions and productivity software.

Ford's response to the various scenarios will require different solutions, but the building blocks are in place. Our EV foundation will allow us to scale as the market grows, and we will continue to address key enablers. Our lower emissions internal combustion engine vehicles, including traditional hybrids and alternative fuel-compatible vehicles, help decarbonize the business in the transition or in the high temperature scenario.

Read More

In Products and Services on p.31

Our Sustainable Financing Framework was introduced in 2021 to support the design, development, and manufacture of our electric vehicles and create positive social and environmental benefits in the transition to EVs.

The net proceeds from each sustainable financing is being used to fund or refinance, in whole or in part, new or existing green or social projects, assets, or activities of Ford or Ford Credit. $4.21 billion has been allocated as of February 2024.

The financing will continue to be allocated and invested in four different areas:

- Clean transportation
- Clean manufacturing
- Making lives better
- Community revitalization

Read More

In the 2023 Sustainable Financing Report

Circular Economy and End of Life

Salient Human Rights Issues

UN Sustainable Development Goals

Using renewable and recycled materials in our vehicles, enables us to reduce waste, use fewer natural resources, and improve vehicle quality and performance.

Circular Economy Policies

ESRS E5-1, ESRS E2-1

We have set a sustainability aspirational goal to only utilize recycled or renewable content in our vehicle plastics.

As part of our commitment to protecting the environment, our We Are Committed to Protecting Human Rights and the Environment policy calls on us to use recycled and renewable materials, reduce substances of concern, and improve recyclability of our products through material selection and product design.

This policy extends beyond Ford's operations, as we explicitly require our suppliers and expect partners and joint ventures to adopt and enforce similar policies and extend them to their own supply chain.

Our Approach: A Focus on Plastics

ESRS E5-2

Over 85%[38] of vehicle parts and materials are recycled and reused at their end of life. Understanding that the metallic portions of vehicles are already highly recycled, we are focused on recycled and renewable content in plastics.

By increasing the sustainability of plastics in our vehicles' design, we can make a beneficial impact on the environment — and our business.

Waste products generated by other industries comprise much of our recycled and renewable content. We use the ISO 14021 standard to account for this content. When tracking our status for recycled content, we use the part inventory list associated with the high volume variant available for each program.

Metrics and Targets

ESRS E5-3

We have set a goal of using 20% recycled and renewable plastics in new vehicle designs for North America, Europe, and Turkey starting in 2025. Our target for China is 10%.

These targets reduce our dependence on virgin raw material for plastic and promote the sourcing of additional renewable content in our plastic components.

Our broader aspiration is to utilize only recycled or renewable content in vehicle plastics. Ford has begun the process of tracking the recycled and renewable content in pilot programs and will continue work to operationalize the process for future programs.

Using Recycled Materials for Vehicle Parts

ESRS E5-2

While not every polymer can easily use recycled material, there is potential for recycling to reduce the carbon footprint of some of our plastics by 70-90%.

Through activities such as transforming recycled plastic bottles into vehicle parts, we are helping to play a major role in improving or reducing the carbon footprint of auto parts.

Due to its light weight, recycled plastic is ideal for the manufacture of underbody shields, engine under-shields, and front and rear wheel arch liners that can help improve vehicle aerodynamics. We also use post-consumer nylon and polypropylene carpeting for cylinder head covers, fans and shrouds, and carbon canisters.

What is a Typical Vehicle

Around **40,000** parts... using **1,000** materials... and **10,000** chemical substances...

75%
metals (already highly recycled)

17%
plastics, elastomers, textiles (area to improve)

4%
liquids (already recycled or reused)

4%
other

Circular Economy and End of Life
— continued

New Frunk Design Reduces Complexity, Weight, and Cost

Increasing the sustainability of plastics in vehicle design can help to make a beneficial impact on the environment. The 2023 Mustang Mach-E frunk is a prime example.

The simplified frunk design in the Mustang Mach-E drastically increased post-consumer recycled content. Created from recycled packaging, including the approximate equivalent of 115 post-consumer use yogurt cups, the new frunk tub goes from six pieces to one, reduces the weight by over 6.6 pounds, and drastically cuts the part cost.

The innovative redesign of the frunk insert garnered a sustainability award from the Society of Plastics Engineers.

We are also deriving value from waste material, using recycled ocean plastics in the Bronco Sport. This exemplifies our approach to the circular economy as we seek to migrate these materials to other vehicles and applications.

Using Renewable Materials for Vehicle Parts
Renewable, plant-based materials continue to play a role in our sustainability strategy. Ford is a leader in this space, having implemented nine plant-based materials in current and past vehicle production. These robust materials enable lighter weight parts that can help improve fuel economy, sequester carbon, and reduce global warming impacts. They also require less energy to manufacture. Our industry-first sustainable materials include soy foam, wheat straw, rice hulls, tree-based cellulose, and coffee chaff.

Soy-based foam, launched on the 2008 Mustang, has been used in every Ford North American built vehicle for seat cushions and backs for more than a decade, totaling over 23 million vehicles. Use of bio-based foams have reduced greenhouse gas emissions by about 210 million pounds cumulatively, and continues to save an average of 3.38 million pounds of petroleum annually since 2014.

Our Advanced Polymer Technologies team continues to pioneer the development of new sustainable plastic materials and processes including using waste from olive production to reinforce plastics, captured carbon dioxide in foam formulation and low-carbon basalt fibers for reinforcement.

Additional Strategies and Actions

ESRS E5-2

Converting CO_2 to Polyurethane Foam
Ford was awarded a grant by the U.S. Department of Energy to conduct research on using CO_2 as a feedstock to make more sustainable polyurethane foams. The $2.5 million grant is one of 30 DOE projects to help decarbonize the U.S. industrial sector, advance clean manufacturing and improve America's economic competitiveness.

In the first year of the project, Ford and our partners have successfully developed polyols derived from CO_2, that show reduced embodied carbon compared to their petroleum-based counterparts as measured through Life Cycle Assessment (LCA) and initial scalability. CO_2-based polyurethane foams were formulated to meet manufacturability. The current work focuses on meeting performance requirements for applications including seating and noise, vibration, and harshness reduction.

Closing the Loop in Aluminum Recycling
We are the largest automotive aluminum recycler in the world. Our work to close the loop in aluminum recycling supports our policy to use recycled materials and improve the recyclability of our products. Our closed loop recycling system maximizes aluminum recycling in our plants and minimizes the need for primary metal.

Working closely with our aluminum sheet suppliers, we have created unique alloys that enable us to maximize the reuse of aluminum within our own plants. Not only does our system recover aluminum scrap during parts stamping, but it also keeps the various aluminum alloys separated so they can be recycled back into fresh alloy for new vehicles. 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 at our Dearborn Stamping, Kentucky Truck and Buffalo Stamping facilities. This represents approximately 25% of our aluminum sheet coil purchases.

Remanufacturing Supports Sustainability Goals
Remanufacturing has been an important part of Ford's sustainability effort since it was introduced in response to shortages of steel and iron during World War II. Since then, Ford has remanufactured powertrain assemblies, turbos, injectors, steering components, brake components, electronic modules, starters, and alternators.

Remanufacturing turns a previously used, sold, or worn-out part into a like-new or better-than-new condition which can be warranted for performance level and quality. Remanufacturing saves considerable energy, uses less raw material compared to a new unit, substantially reduces CO_2 emissions, and helps extend the life cycle of the vehicle product line.

Reclaimed powertrain material supports Ford sustainability objectives. In 2023, we reclaimed 4,077 metric tons of steel and 3,058 metric tons of aluminum from transmission material. We also reclaimed 1,128 metric tons of cast iron, 534 metric tons of steel, and 741 metric tons of aluminum from engine material. Combined, Ford supplied 119,000 remanufactured engines and transmissions in the U.S.

Battery Recycling

End of life vehicles are a crucial part of our supply chain, and we are committed to increasing battery recycling. To further these efforts we support various battery recycling companies, including with letters of support for U.S. Department of Energy grants.

We have also begun utilizing collection points to reduce inefficiencies in shipping one-off, end of life batteries across the country — this allows us to ship full-truck loads reducing our environmental footprint.

End of life batteries are sent to recyclers who are dedicated to recovering the underlying raw materials with the intent of reintroducing these materials into the broader battery supply chain.

Circular Economy and End of Life
— continued

In Europe, new regulations will require manufacturers to report on their extended producer responsibility for proper battery recycling.

Life Cycle Assessment (LCA) Research and Regulations

We continue to conduct LCA-based studies to evaluate potential environmental implications of vehicle raw materials, manufacturing, and use. Topics include recycled polymers and composites, cradle-to-gate and use phase impacts of lithium-ion batteries, and benefits of EV battery circular economy.

In the EU, we are anticipating regulations related to LCAs.

- The EU Battery Regulation requires a Carbon Footprint Declaration starting in 2025
- The EU CO_2 Fleet Regulation requires the European Commission to set out a common Union methodology for the full life cycle CO_2 emissions by 2025, with voluntary reporting from 2026 onwards
- UN Economic Commission for Europe's Working Party on Pollution and Energy, a subsidiary body of the World Forum for Harmonization of Vehicle Regulations, has set up an informal working group on a harmonized vehicle LCA methodology with adoption of final recommendations expected by end of 2025

Substances of Concern and Substances of Very High Concern

ESRS E2-2, ESRS E2-5

Ford's Restricted Substances Management Standard (RSMS) and associated Restricted Substances List (RSL) restricts or excludes certain chemicals from parts, materials, equipment, packaging, office supplies, machinery, and/or tooling supplied to or manufactured by Ford or intended for use in Ford products. The Standard supplements, but does not supersede, the responsibility of each supplier to comply with laws and regulations for the receiving Ford locations. Suppliers shall aim to reduce or replace carcinogenic, mutagenic, reprotoxic or persistent, bio accumulative and toxic substances in the products they supply to Ford.

Expanded efforts will be made, over and above the RSMS, to reduce certain substances of concern in non-dimensional commodities used in manufacturing operations, such as paints and related chemicals, adhesives and sealers, hydrocarbon lubricants, etc. In support of this Manufacturing Materials strategy, which will soon be officially launched, we have developed a targeted list for certain substances of concern, including substances of very high concern, for replacement, reduction, or reformulation. We have engaged selected suppliers of high-volume commodities and are working with them to review current use of substances of concern and identify possible alternatives.

Waste Management Policies

ESRS E5-1

We have set the sustainability aspirational goals to eliminate single-use plastics across our global operations by 2030 and reach true zero waste to landfill across our global operations.

Our We Are Committed to Protecting Human Rights and the Environment policy calls on us to divert waste from landfill to products and reduce single use plastic.

Our Approach to Waste Management

ESRS E5-2

Not only does reducing waste help 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 greenhouse gas emissions, and generate an additional supply of valuable resources.

In 2023, we launched the third phase of our global waste management strategy, which will continue until 2027. During this time, we will focus on reducing overall waste generation by 5% and reducing waste disposed, or removed from the value stream, by 10%. We will continue to drive waste sent to landfill reductions globally and progress toward our zero waste to landfill goal.

The third phase builds on the second phase of the strategy, which focused on minimizing waste generated from high-volume streams and managing the waste we generate to avoid landfill disposal.

Our Supplier Code of Conduct requires suppliers to maintain an ISO 14001-certified environmental management system. Beyond that, we are also beginning to receive various waste measurements such as total hazardous waste from our suppliers.

Actions

To ensure that more of our facilities reach zero waste to landfill status, we continue to implement a range of waste reduction initiatives. Ongoing initiatives include implementing new technologies and programs that minimize waste and standardizing the tracking and sorting of waste to increase recycling and reuse.

Eliminating Single-use Plastics

We continue initiatives around the world toward our goal of eliminating single-use plastics. Global teams are collaborating to reduce single-use plastics in part packaging. Other regional efforts include returnable containers for take-away food in Cologne, Germany and phasing out single-use plastic utensils in all our facilities in U.S. and Canada.

Reducing End of Life Impacts

We proactively review non-dimensional materials such as lubricants and paints within our manufacturing operations. Going beyond applicable regulations, we are developing a timeline to further reduce substances of concern in our facilities, including those that are carcinogenic or environmentally persistent.

Waste Management Metrics and Targets

ESRS E5-3

We have progressed toward targeting absolute reductions in the waste strategy so that we can more clearly define our impact to the environment and surrounding communities.

Our most recent waste strategy targets are to reduce absolute global waste generated by 5% and to reduce global waste disposed by 10% based on a 2022 base year.

Tracking our Progress

ESRS E5-5

Ford facilities around the world sent approximately 16,300 metric tons of waste to landfill, 8% less than in 2022. Currently, we have 86 zero waste to landfill (ZWTL) sites globally. The Sterling Axle Plant and Essex Engine Plant became the latest sites to achieve ZWTL in 2023.

All Ford manufacturing plants in China operate with zero waste to landfill. Waste generated in all factories is either recycled or managed for thermal destruction with or without energy recovery instead of being sent to landfills for final disposal. Our Blue Oval European facilities have also all achieved zero waste to landfill status, using the same strategies.

It's essential that our plants have the resources needed to collect and manage waste to help them meet our global waste standard, a minimum set of requirements for the manufacturing plants to successfully pursue our waste-related sustainability targets.

BUSINESS HIGHLIGHT

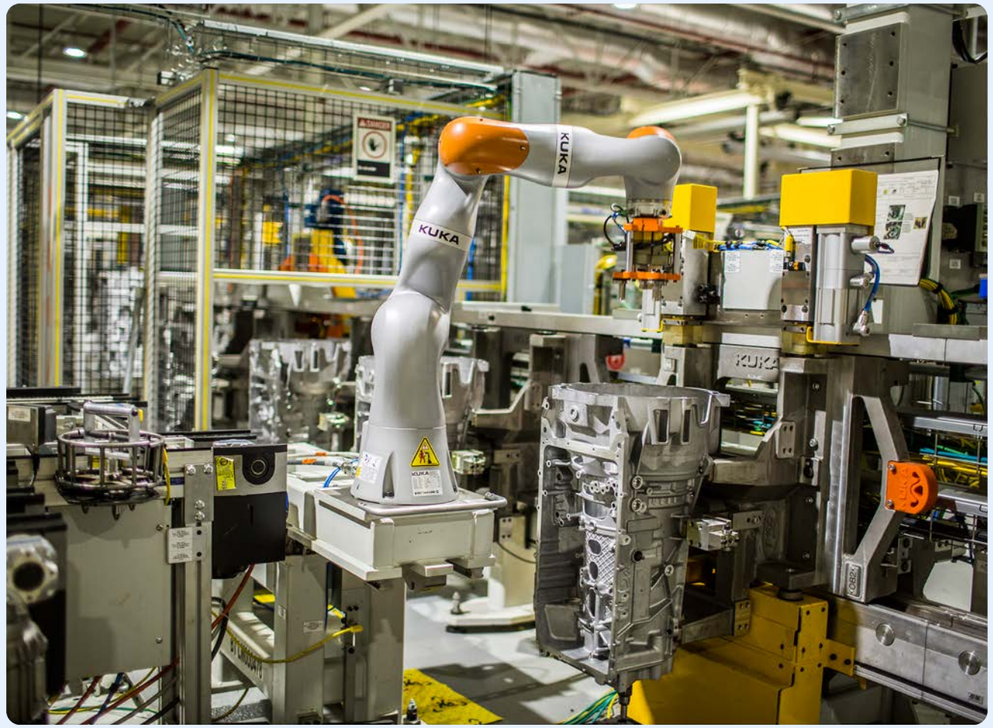
Sustainable Manufacturing:

How Ford's Approach to Manufacturing Helps Quality and Sustainability

In recent years, Ford has embraced "lean manufacturing," an approach to production that focuses on improving quality, maximizing efficiency, and minimizing waste. It's a philosophy that naturally aligns with our approach to sustainability, including our efforts to conserve water, reduce energy use, and recycle and reuse materials.

By recycling materials we're minimizing the amount of waste sent to landfills and reducing our need for raw materials, which in turn helps reduce our environmental impact.

The results of lean manufacturing can be seen at Ford facilities around the world: At Michigan's Livonia Transmission Plant, the plastic straps that are used to hold down transmissions in shipping are sent back to the manufacturer to be remolded and reused.



At the International Distribution Operations plant in Mexico, we have optimized water usage to the point that zero freshwater is used in the production process at the Irapuato Transmission Plant and the Chihuahua Engine Plant. Freshwater is only used for human consumption.

The Essex Engine Plant in Ontario, Canada, recently realized its goal of sending zero waste to landfills, helping all Ford's Canadian sites operate as zero-waste-to-landfill facilities.

The Cologne Electric Vehicle Center will be Ford's first completely carbon neutral production facility when it begins producing the all-electric Explorer in 2024.

By adopting lean manufacturing principles and practices, Ford is improving efficiency, profitability, and sustainability. It's good for our business and good for the planet.

Air, Water, and Soil Pollution

Aspirational Goals

Air

Salient Human Rights Issues

Environment

UN Sustainable Development Goals

Reducing emissions will reduce air pollution, help protect people's health, and avoid the worst impacts of climate change.

Air, Water, and Soil Pollution Policies

ESRS E2-1

We have set a sustainability aspirational goal to attain zero air emissions from our vehicles and facilities.

Our We Are Committed to Protecting Human Rights and the Environment policy mandates that we work to reduce emissions. Global emission standards have led to lower vehicle emissions and improved air quality.

This policy also requires us to follow Ford procedures to safeguard the environment when discontinuing operations, decommissioning sites, or disposing of parts and components to protect from potential pollution of our natural resources, including water and soil.

Our Approach

ESRS E2-2

We believe that clean air is a fundamental human right.

Not only will our electric vehicle strategy reduce greenhouse gas (GHG) emissions, it can also help improve local air quality. Access to EVs can help provide health, economic, and mobility benefits, especially in communities that bear a disproportionate burden from climate change and air and water pollution.

Internal combustion engine (ICE) vehicles emit air pollutants, such as hydrocarbons, carbon monoxide, nitrogen oxides, and particulate matter, which can affect air quality and can potentially impact human health. In addition, brake particulates and electricity generation for electric vehicles (EVs) can impact air quality.

Water and soil pollution are issues that Ford takes seriously and have determined them to be material topics for the first time after updating our materiality assessment to more closely align with the CSRD double materiality process. These topics will be reviewed carefully throughout the 2024 year in order to report against them in more detail in our 2025 Integrated Report.

Vehicle Emissions

ESRS E2-2

An increasing number of countries and states have announced requirements for 100% zero-emission vehicle (ZEV) sales.

We expect that all new vehicle sales in the EU will be zero-emissions vehicles by 2035, per EU mandates. Some European countries have regulations in place or are working on regulations that will advance this date. In California, the California Air Resources Board will rapidly scale down light-duty passenger car, truck, and SUV emissions starting with the 2026 model year through 2035. By 2035 all new passenger cars, trucks, and SUVs sold in California will have zero emissions (with some allowance for plug-in hybrid vehicles). We support California's actions to strengthen vehicle emission standards and expect this landmark standard to be adopted by other U.S. states.

Tracking our Progress

ESRS E2-4

We are proud to meet or exceed vehicle criteria emissions standards as they are introduced (see Regional Vehicle Emissions Standards table). For example, in the United States for our 7.3L gasoline engine certification, our previous 2023 model year nitrogen oxides (NO_x) standard was 0.08 grams per brake horsepower-hour (g/bhp-hr) and dropped to 0.055 g/bhp-hr in 2023 for 2024 model year testing, an improvement of 31%.

Plant Emission Reductions

ESRS E2-2

Ford reduces pollution from our manufacturing facilities by using best available techniques as required by regulations. This includes re-evaluating technology and upgrading controls as necessary.

However, we go beyond simply meeting regulatory requirements by developing and tracking of plant-specific volatile organic compounds (VOC) targets. In order to support each Ford plant's VOC reduction target, we use a data-driven quality strategy dashboard which tracks VOC emissions and identifies opportunities for reduction. As part of best practices and strategic improvements, plants have follow-ups based on their progress and review VOC data as a team.

Targets

ESRS E2-3

Ford manufacturing plants around the globe are required to meet specific air pollutant requirements as part of their air permit. Beyond air permits, Ford develops annual plant-specific VOC targets for global manufacturing plants. The targets are developed based on each plant's prior year data. Ford considers changes in abatement, changes in paint usage, the launch of new products, and production and line speed when developing these targets.

Air, Water, and Soil Pollution
— continued

Regional Vehicle Emissions Standards

	United States	Europe	China	Other Regions	
Already Compliant or Surpassing	• EPA Tier 3 standards • California's LEV III standards	• Euro 6e real driving emission (RDE)	• National stage-6a (China 6a) LDV and HDV emissions standards nationwide • National stage-6b (China 6b) LDV emissions standards in five cities and provinces	• **Argentina and Uruguay:** Euro 5 • **Australia:** Euro 5 • **Brazil:** L7 PROCONVE L7 + OBDBr3 +RDE Monitoring • **Cambodia:** Euro 4 • **Chile:** Euro 6b or U.S. Tier 3 Bin 125 • **Colombia:** Euro 6b or U.S. Tier 3 Bin 125 (diesel), Euro 4 (Gasoline) • **Costa Rica:** Euro 4; U.S. Tier 2	• **Middle East:** Standards based on Euro 2, Euro 3, Euro 4, Euro 5, and Euro 6 • **New Zealand:** Euro 6b; U.S. Tier 3 • **Peru:** Euro 4; U.S. Tier 2 • **South Africa:** Euro 2 • **Taiwan:** Euro 6.2; U.S. Tier 2 Bin 5 • **Thailand:** Euro 5b
Being Phased In	• California's Advanced Clean Cars II	• Euro 7	• National stage-6b (China 6b) LDV and HDV emissions standards nationwide	• **Australia:** Euro 6d • **Brazil:** PROCONVE L8 Fleet Average Emissions + OBDBr3 + RDE Compliance • **Cambodia:** Euro 5 • **Chile:** Euro 6c or U.S. Tier 3 Bin 70	• **Costa Rica:** Euro 6.1 or U.S. Tier 3 • **Colombia:** Euro 6c or U.S. Tier 3 Bin 70 (diesel) • **Peru:** Euro 6b or U.S. Tier 3 Bin 125 • **South Africa:** Euro 5 • **Thailand:** Euro 6b

Water Resources

Aspirational Goals

Water

Salient Human Rights Issues

Environment

UN Sustainable Development Goals

6 CLEAN WATER AND SANITATION

Ford was one of the first companies to publicly make water stewardship a core sustainability priority, and that commitment has never been more important.

Water Policies

ESRS E3-1

We have set the sustainability aspirational goals to make zero water withdrawals for manufacturing processes and use freshwater only for human consumption.

Our We Are Committed to Protecting Human Rights and the Environment policy calls on us to reduce freshwater usage and support safe and accessible drinking water in our manufacturing operations and communities.

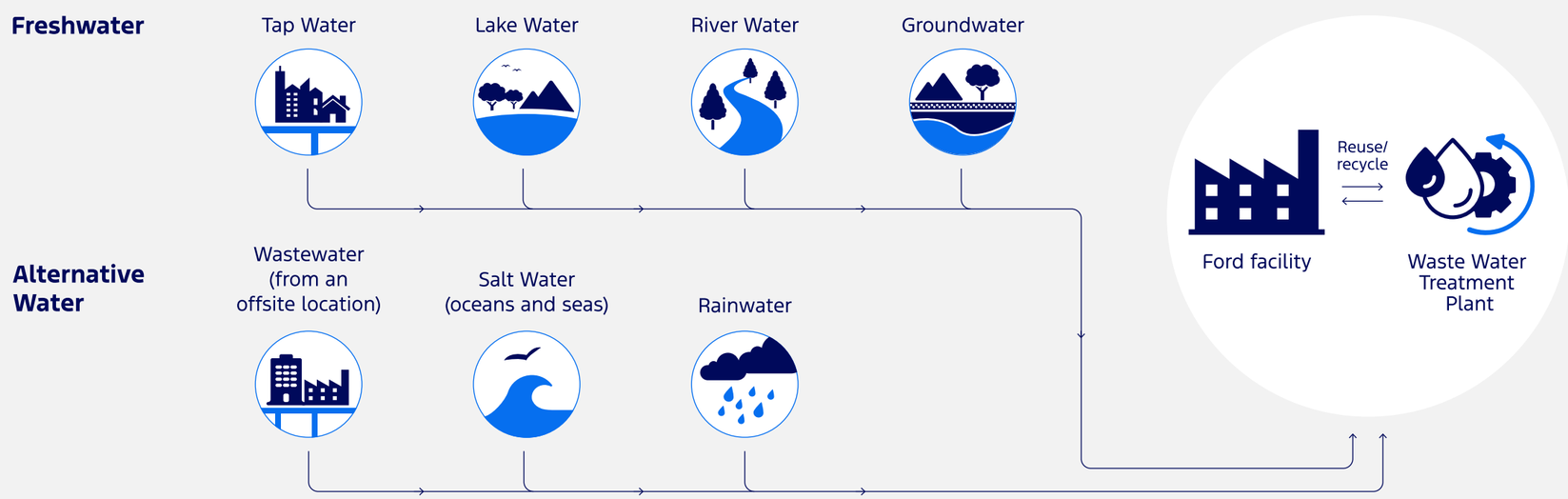
Our global manufacturing water strategy aims to continue our position as a leader in making zero water withdrawals for manufacturing processes in order to support freshwater availability in local communities. All of our manufacturing sites are included in our water strategy.

We consider freshwater to include both surface water and groundwater. This is aligned with, and extends beyond, the Global Reporting Initiative definition of freshwater as surface water.

At a minimum, all our manufacturing sites obtain water discharge permits and perform some level of process water treatment prior to discharge. In the absence of a government-imposed discharge limit, we have established a minimum treatment level for our process water to meet prior to discharge. Additionally, the latest iteration of our global manufacturing water strategy calls on us to improve discharge quality with an emphasis on direct dischargers.

All our manufacturing sites have emergency response plans that include both methods to prevent releases, as well as actions to take in the unlikely event of a release in order to minimize any environmental impact.

Water Use at our Facilities



Water Resources
— continued

Our Approach
ESRS E3-2

By integrating more water efficient processes and technologies in our manufacturing systems we can further decrease our water consumption. We strive to identify alternative water sources at all facilities, but especially those that are located in water scarce regions.

We are committed to extraction policies and practices that ensure our operations don't restrict other users' access to water. For example, we make efforts to utilize alternative water sources, like rainwater and wastewater from other organizations, for our manufacturing processes.

Material Impacts, Risks, and Opportunities
E3 IRO-1

We conduct an annual water-related risk assessment to ensure our operations and value chain are actively managing water stewardship and to ensure business continuity.

To perform the extensive analysis of our direct operations and value chain risk, we utilize a combination of tools, water regulatory frameworks, and the status of ecosystems and habitats in order to fully evaluate risk, identify water-stressed areas, and understand regional ecosystem limits and demands.

Stakeholders Considered
As we implement our sustainable water strategy, a variety of stakeholders are taken into account.

Customers are considered because their purchase decisions significantly impact Ford Motor Company's financial health and they advocate that our vehicles are manufactured sustainably.

Employees are considered because Ford has acknowledged the human right to water and became a signatory to the UN CEO Water Mandate in 2014. Our Code of Human Rights, Basic Working Conditions and Corporate Responsibility requires Ford to provide a safe and healthy work environment for all employees.

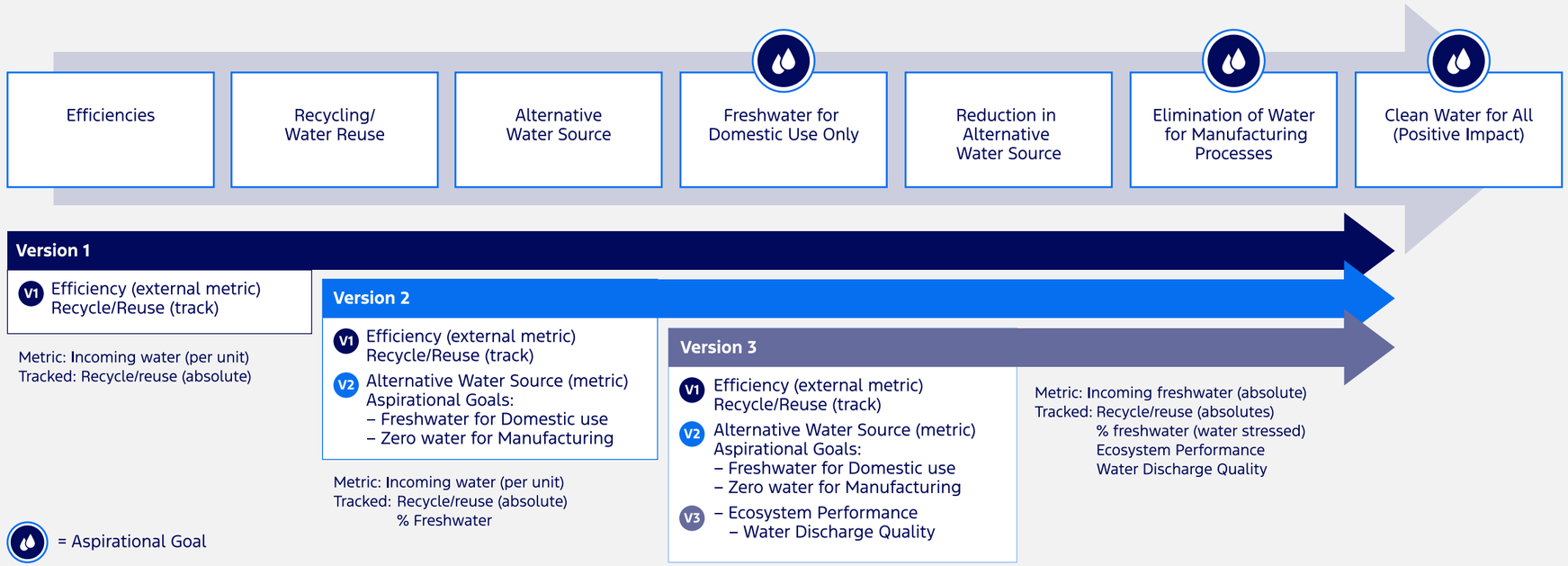
Investors are included because they are crucial to Ford's economic health since Ford is a publicly traded company. Ford remains engaged with investors through various forums and events to communicate our commitment to environmental sustainability (water, climate, waste) and to better understand their concerns.

Local communities are included because Our Code of Human Rights, Basic Working Conditions, and Corporate Responsibility requires Ford to work constructively with local communities, including implementation of sustainable water strategies.

Lastly, suppliers are considered a key component of our business, which is why Ford engages strategically with suppliers based on the level of risk determined by a combination of factors including 1) water use intensity based on commodities, 2) the geographical footprint of suppliers' operations and 3) suppliers' business relationship with Ford.

Recognition
Ford has been recognized with an A rating in water security by the Carbon Disclosure Project (CDP), a leading global environmental non-profit with the largest environmental database in the world, in a report highlighting current water risks and future water-related financial opportunities for businesses. The report highlights our water saving innovations in our manufacturing facilities around the world as real-world business success stories. This was Ford's ninth year in a row receiving the CDP Water A rating.

Water Strategy Progression



Water Resources
— continued

Actions and Resources
ESRS E3-2

Achieving Zero Freshwater for Manufacturing
In 2022, the Irapuato Transmission Plant was the second Ford facility to achieve the zero freshwater for manufacturing goal, joining the Chihuahua Engine facility. In 2023, our use of alternative water was 9% in the water scarce areas.

In addition to improving water quality discharges at our sites, we are applying freshwater reduction methods at our sites that mimic the behavior and performance of the local ecosystem.

Water Recycling
Our Louisville Assembly Plant was recognized by the EPA in 2021 for its leadership and commitment to practices that reduce, eliminate, or prevent pollution at its source, specifically for a new water recycling initiative. Louisville is one of 12 Ford plants utilizing an End-Of-Pipe water reuse system.

Clean Water for All
We have expanded our water focus to include the quality of water that leaves our site, prioritizing direct discharges to local streams and rivers. In order to support this effort, we have added a new aspirational principle: Clean Water for All. Elements of this principle include not taking a precious resource, putting water back cleaner than we received it, and utilizing water management solutions that are beneficial to both the ecosystem and the community.

This new aspiration was the result of a study we conducted to explore how we could provide a positive impact to the environment, as well as neighboring communities. The study highlighted the importance of a balanced approach to water management to ensure that the appropriate amount of water is stored, evaporated, infiltrated, and released.

Metrics and Targets
ESRS E3-3

The third iteration of our 2025 Global Manufacturing Water Strategy continues to target a 15% reduction in absolute freshwater usage from a 2019 base year.

We prioritize sites located in water-stressed areas, especially when seeking alternative sources of water. These efforts will continue our leadership position in water conservation worldwide, as well as demonstrate how we can provide a positive environmental impact on our surrounding communities.

Ecological thresholds have not been considered or evaluated. Our targets are not based on legislation.

Tracking Our Performance
ESRS E3-4

In 2023, we reduced our use of our absolute freshwater by 19.4% from a 2019 base year. While lower production volumes played a role in that reduction, we still improved our water use efficiency and made great progress in implementing water reduction projects that will contribute to sustained water savings.

Since 2000, we have achieved a 75.5% reduction in annual water use, accounting for 199 billion cumulative gallons of water. Through integrating more water efficient processes and technologies in our manufacturing systems to further decrease our water consumption, our water conservation actions are equal to providing a year's worth of water to 1.8 million homes.

19.4%

reduction in annual water usage from 2019 base year

75.5%

reduction in annual water usage since 2000, accounting for 199 billion gallons of water

Biodiversity and Ecosystems

Salient Human Rights Issues

Environment

UN Sustainable Development Goals

Biodiversity plays a crucial role in limiting climate change. Ecosystems and the biodiversity they contain absorb around half of greenhouse gas emissions, according to the UN. Yet, climate change is contributing to biodiversity's decline as it alters ecosystems around the globe.

Biodiversity at Ford

For the first time, Ford has identified biodiversity and ecosystems as a standalone material topic due to increasing global focus on our impact on ecosystems. As we work to minimize our impact on the planet, we can also provide positive benefits to the local environment and neighboring communities.

A "Positive Performance" methodology measures the performance of a local ecosystem to establish science-based aspirational targets. If we can operate our sites to meet or exceed our local ecosystem performance, we consider that to be positive.

Measurements of an ecosystem can include carbon capture rates, water infiltration volume, biodiversity support, soil generation, etc.

Biodiversity Preservation at Cologne EV Center

In 2023 Ford opened the Cologne Electric Vehicle (EV) Center, where the production of the European all-electric Ford Explorer will start in 2024. The technological upgrade of the Ford Cologne EV Center in 2023 was accompanied by an ecological improvement of biodiversity and the ecological balance of the existing factory greenspace. The outdoor areas of many of our company premises, including the Cologne EV Center, offer potential for protecting biodiversity.

The installed measures in Cologne include new perennial vegetation, changing ecologically poor grass areas to wildflower meadows and insect hotels, as well as bat and bird habitats.

Ecosystem Preservation in Michigan

We are building the country's first automaker-backed lithium iron phosphate battery plant, called BlueOval Battery Park Michigan.

We have ensured that 245 acres on the southern portion of the site along the banks of the Kalamazoo River are being placed into a conservation easement. This property will be preserved for generations to come and protected against future industrial development. The Ford Fund, Ford's charitable arm, has provided resources for Calhoun County to engage with the community to explore how the public can best access and utilize this space. Current plans are that Calhoun County will own and manage the conservation easement.

Ford Wildlife Foundation and Bronco Wild Fund

We are committed to developing solutions to preserve biodiversity and restore ecosystems across our facilities and the surrounding communities through programs like the Ford Wildlife Foundation (FWF) and the Bronco Wild Fund (BWF).

The FWF is making important contributions to biodiversity, environmental conservation, and awareness through its support of leading conservation organizations across South Africa and in Mozambique.

Ford's Bronco Wild Fund is dedicated to building a legacy of access, preservation, and stewardship from the ground up. Its mission is rooted in an unwavering and substantial pledge from Ford to protect natural resources and the environment.

The Bronco Wild Fund is teaming up with like-minded collaborators to provide grants, scholarships, contributions, and an extensive dealer network to keep the great outdoors great. A portion of the profits from every Bronco sold goes directly to Bronco Wild Fund collaborator initiatives.

Since the Bronco Wild Fund's inception in 2020, Ford has dedicated more than $6.4 million to the program to support the outdoors; an additional $4.7 million has been matched or unlocked by Bronco Wild Fund contributions. In 2023, Ford dedicated more than $2.3 million in support of 123 outdoor access, preservation, and stewardship projects in 40 states and the District of Columbia. Ford's investment unlocked over $1.3 million in additional funds.

Supply Chain Biodiversity

We expect our suppliers to preserve biodiversity as well. Looking ahead, in Europe we are preparing for upcoming EU regulations on deforestation and forest degradation-free supply chains.

Social

In this section:

Social Overview

Sustainability has always meant much more to us than minimizing our carbon footprint. As we work toward a climate-resilient future, we are committed to protecting human rights and advancing diversity, equity, and inclusion in our workforce — and in the communities we serve across the world. As we continue our work toward gender and racial equality and protecting the rights of all people, we rely on frequent assessments and transparent communication to ensure we remain on the right path.

We Are Focused on Protecting and Respecting Human Rights

We are committed to respecting human rights within our company, across our value chain, regions, and suppliers. We ensure that everything we do — or that others do for us — is produced lawfully and with respect for human rights.

We Prioritize Health and Safety

The health, safety, and wellbeing of our employees, our customers, and our communities is a top priority for Ford. Our policies and our products are designed to advance our safety culture.

We Are Dedicated to Creating a Culture of inclusion

We treat our workforce fairly, humanely, and with respect and dignity.

We understand that our differences and uniqueness help make us stronger and more innovative. Our culture of inclusion empowers our people to transform our business.

We Support a Just Transition

We are helping to prepare our workforce and local communities for the transition to EVs. We are committed to providing employees with the opportunity to upskill and reskill with supportive training programs.

We Are Passionate About Partnering with Communities

The Ford Motor Company Fund and Ford Community Relations team partners with community leaders and nonprofits to help meet the unique needs of under-resourced and underrepresented communities.

Our Sustainability Aspirations

Human Rights: Source only raw materials that are responsibly produced

Safety: Work toward a future that is free from vehicle crashes and workplace injuries

Diversity, Equity, and Inclusion: Support a diverse, equitable, and inclusive workplace where each person is valued

UN Sustainable Development Goals

We are contributing to the following UN Sustainable Development Goals through actions outlined in this chapter:

Human Rights

Aspirational Goals

Human Rights

Salient Human Rights Issues

UN Sustainable Development Goals

Our commitment to respecting human rights is a company-wide endeavor that guides our strategy and our actions.

We are committed to respecting human rights across our company, our supply chain, and the regions in which we operate. We respect human rights in all our activities and seek to address concerns that may arise on a timely basis.

In 2023, we conducted our third formal salient human rights assessment, which identified and prioritized the following potential high-risk human rights areas within our operations and along our supply chain. These are listed in alphabetical order.

- Clean, healthy, and sustainable environment
- Fair and decent work
- Forced labor, child labor, and human trafficking
- Harassment and discrimination
- Health and safety
- Impacts of EV transition
- Rights of Indigenous Peoples

Using these salient issues as a guide, we continue to strengthen our policies on issues such as child labor, forced labor, human trafficking, protecting the rights of Indigenous People, addressing impacts of vehicle electrification, ensuring a safe and fair workplace, and enabling efforts to achieve a cleaner planet.

Read More

In Our Saliency Assessment on p.22

For more information on past salient human rights assessments and processes, you can view our previously standalone 2022 Human Rights Report and 2023 Human Rights Progress Report under "Previous Sustainability and Financial Reports" on our sustainability website.

Read More

On our sustainability website

Our Human Rights Policy

ESRS S1-1, ESRS S2-1

We have set a sustainability aspirational goal to source only raw materials that are responsibly produced.

We are guided by our We Are Committed to Protecting Human Rights and the Environment policy. Prohibiting the use of child labor and forced or compulsory labor are among its mandates.

We aspire to ensure that everything we do — or that others do for us — is consistent with local law and our own commitment to human rights per our We Are Committed to Protecting Human Rights and the Environment policy. In situations where non-compliance is confirmed, we provide remedy as quickly as possible. We require our suppliers and expect our business partners to adopt and enforce similar policies.

As mandated by our We Are Committed to Protecting Human Rights and the Environment policy, we follow all Ford policies and comply with or exceed all applicable laws and regulations, including all applicable due diligence laws. We also strive to meet the spirit of these laws and regulations. Cost alone does not drive our business decisions; we consider impacts on human rights among other factors. We explicitly require our suppliers and expect partners and joint ventures to adopt and enforce similar policies and extend them to their own supply chain.

As part of our commitment to transparency, our We Are Committed to Protecting Human Rights and the Environment policy is posted on our corporate website along with our Code of Conduct.

Our Vice President, Chief Sustainability, Environment, and Safety Officer is responsible for interpreting and implementing our We Are Committed to Protecting Human Rights and the Environment policy, managing risk, and reviewing with, as appropriate, the Vice President Global Manufacturing and Labor Affairs, Vice President Global Commodity Purchasing, Chief People and Employee Experience Officer, and the Chief Policy Officer and General Counsel.

Human Rights Policy Updates

We have updated our We Are Committed to Protecting Human Rights and the Environment policy to formally reflect our commitment to respecting the United Nations Declaration on the Rights of Indigenous Peoples.

We have also updated our previous alignment to the 1998 International Labour Organization (ILO) declaration on Fundamental Principles and Rights at Work to the 2022 version. This updated version includes the Occupational Safety and Health Convention (No. 155) and Promotional Framework for Occupational Safety and Health Convention (No. 187).

The policy now also states our adherence to the Minamata Convention on Mercury, Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

Additional policies related to supporting a living wage, not engaging in unlawful eviction, and the use of security forces with proper supervision and due diligence were added in 2023.

In alignment with due diligence laws such as the German Supply Chain Due Diligence Act, we issued the Policy Statement on Ford's Human Rights Strategy, Policies and Processes that further outlines our commitment to our due diligence efforts.

Human Rights
— continued

Human Rights Policy Commitments
We support the UN Sustainable Development Goals and are members of the UN Global Compact and incorporate their Ten Principles in our operations. We have also signed the UN CEO Water Mandate and an action pledge for the UN's "International Year for the Elimination of Child Labor." Aligned with the UN Guiding Principles on Business and Human Rights, we are committed to respecting these widely accepted international human rights frameworks and charters:

- International Bill of Human Rights (The United Nations Universal Declaration of Human Rights and its two Covenants) 1948
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (2022)
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises Revision 2011
- UN Women's Empowerment Principles
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)

Our We Are Committed to Protecting Human Rights and the Environment policy addresses key workplace issues commonly associated with modern slavery including but not limited to child labor, forced labor, human trafficking, living wage, Indigenous Peoples' rights, and freedom of association and collective bargaining. This policy applies to all of Ford's global operations and its subsidiaries.

Our Human Rights Strategy

Ford's human rights strategy for our business and suppliers is aligned with the United Nations (UN) Guiding Principles on Business and Human Rights and focuses on:

- Embedding human rights policies into the business
- Implementing due diligence processes to identify, prevent, mitigate, and account for human rights impacts in our business and our supply chain
- Providing remedial actions when needed
- Communicating transparently with our stakeholders about our processes and actions
- Engaging constructively with suppliers, local communities, governments, non-governmental organizations, and other stakeholders, including Indigenous People
- Seeking third-party assistance, as appropriate, to assess compliance with our policy

Due Diligence in Our Own Business

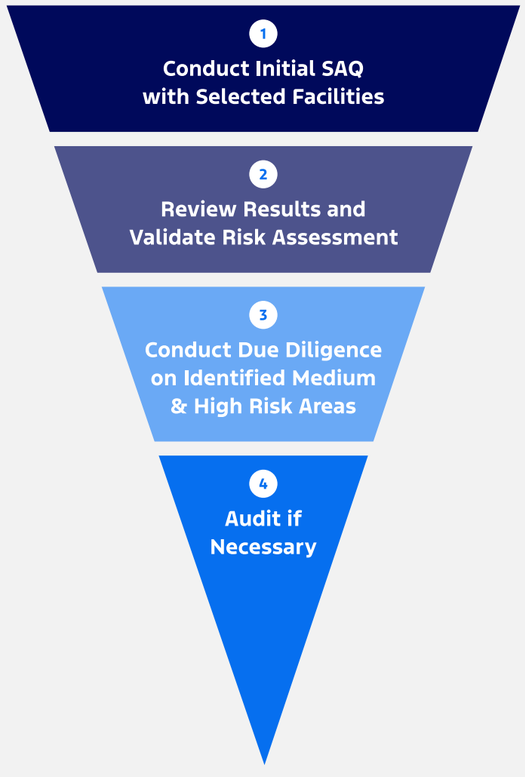
ESRS S1-2

Our We Are Committed to Protecting Human Rights and the Environment policy commits us to conducting due diligence and providing grievance mechanisms and remedy aligned with the UN Guiding Principles for Business and Human Rights. We assess risk, engage with various stakeholders, conduct training, and perform audits.

As part of our efforts to improve our due diligence procedures and transparency, a cross-functional team continuously monitors how Ford addresses human rights strategy, assesses risk, prioritizes actions, and complies with new and upcoming due diligence laws.

When potential issues are identified by stakeholders, non-governmental organizations (NGOs), media, or supply chain partners, we take action to investigate the issue and understand our corporate and supplier involvement. We adapt our due diligence approach to each incident based on the type of inquiry. When a non-compliance occurs, we provide appropriate remedies and bring any violation to an end, including working with suppliers to implement corrective actions.

Due diligence for our human rights risk assessments at our facilities



Corporate Human Rights Risk Assessment
In line with our corporate policy, Ford conducts human rights risk assessments across our global manufacturing facilities using the Responsible Business Alliance (RBA) Online Self-Assessment Questionnaire (SAQ).

The RBA Facility SAQs highlight areas of potential human rights, health and safety, and environment risks at the facility level by identifying gaps in systems, policies, and practices. They provide a consistent process to analyze responses globally and across multiple facilities.

In 2023, 48 assessments were completed covering all global manufacturing facilities including majority-owned joint ventures. Updated assessment methodology, including the addition of inherent geographical and industry risk factors, resulted in a broader range of risk scores and highlighted additional areas for improvements in our facilities.

Corporate Grievance Mechanism

ESRS S1-3

Ford employees can report grievances using the Speakup.ford.com web-based platform or by reporting concerns to their People Leader, HR, People Matters, or the Office of the General Counsel. An outline of the external grievance process is posted on our corporate website.

Read More

In Grievance Mechanisms and Remedies on p.91

Recognition for Human Rights

We are proud of the external recognition we have received for our Human Rights and Supply Chain work. We were recognized as a leader in Human Rights in the auto industry by the World Benchmarking Alliance Corporate Human Rights Benchmark when the automotive sector was last assessed in 2022.

Human Rights
— continued

Lead the Charge, which scores the world's automakers on their efforts to eliminate emissions, environmental harms, and human rights violations from their supply chains, ranked Ford first overall on their Leaderboard. We also received the highest human rights scores in the industry for the second year in a row, thanks to our industry-leading Responsible Materials Sourcing Policy and due diligence policies.

Human Rights in Our Supply Chain
ESRS S2-2

With more than 1,600 Tier 1 production suppliers and 4,600 supplier sites providing vehicle parts composed of nearly 1,000 different materials, our supply chain is vast and complex. To support our commitment to use materials in our vehicles that are safe and sourced responsibly and protect human rights, it's important for us to understand where the materials come from.

Ford uses our purchasing power to enable responsible sourcing, including EV battery raw materials, and better protect impacted communities and the environment.

We utilize a variety of tools, including our Supplier Code of Conduct, to ensure that our commitment to respecting human rights everywhere we operate cascades throughout our supply chain.

We place a heavy focus on Supply Chain Transparency to give us visibility into our supply chain and, when necessary, launch an investigation to ensure suppliers are meeting Ford's environmental, social, and governance (ESG) expectations as outlined in our Supplier Code of Conduct. We also partner with other businesses across sectors to learn from each other and share best practices.

We continue to work closely with our suppliers and with third-party assurers such as the Initiative for Responsible Mining Assurance (IRMA), Responsible Minerals Initiative (RMI), and Responsible Business Alliance (RBA), to identify and immediately address human rights issues in our supply chain.

We offer training resources to help our suppliers build their capacity to manage supply chain issues, and we meet with our top suppliers individually to discuss specific sustainability topics on an annual basis.

Our Supplier Code of Conduct
ESRS S2-1

Since 2003, we have set human rights and environmental expectations and requirements for our suppliers and updated them annually. In 2021, we established a formal Supplier Code of Conduct that applies requirements and expectations related to:

- Human rights
- The environment
- Responsible material sourcing
- Responsible and lawful business practices
- Third-party sustainability audits

Our Supplier Code of Conduct addresses key human rights and workplace issues commonly associated with modern slavery, including but not limited to child labor, forced labor, human trafficking, fair and equal wages, and freedom of association and collective bargaining rights.

Supplier Policy Commitments
Our Supplier Code of Conduct specifically addresses and prohibits trafficking of human beings, child labor, and forced labor. While we explicitly require suppliers to follow all applicable Ford policies and to comply with or exceed all applicable current and impending laws and regulations, our Supplier Code of Conduct also aligns with widely accepted international human rights frameworks and charters. Suppliers are obligated to extend these requirements to their own supply chains.

The Supplier Code of Conduct is aligned with the following international frameworks and charters and industry guidance:

- International Bill of Human Rights (The United Nations Universal Declaration of Human Rights and its two Covenants) 1948
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (2022), including ILO Convention No. 138 on Minimum Age and Convention No. 182 on the Worst Forms of Child Labour
- United Nations (UN) Guiding Principles on Business and Human Rights (2011)
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (2011 Edition)
- OECD Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (2016 Edition)
- UN Global Compact
- UN Sustainable Development Goals
- UN CEO Water Mandate
- UN Women's Empowerment Principles
- UN Declaration on the Rights of Indigenous Peoples

Ford also engages in the RBA and the Automotive Industry Action Group Smelter Engagement Teams to encourage smelters/refiners to become compliant via conflict-free standard third-party audits.

Updates to Supplier Code of Conduct
In 2023, we further strengthened our Supplier Code of Conduct to reflect changing regulations and emerging issues and help protect workers, children, communities, the rights of Indigenous Peoples, and the environment while enhancing requirements for mining and processing facilities.

2023 updates to the Supplier Code of Conduct include bolstering compliance with Ford's prohibition of the use of child labor in any form by adding age verification for suppliers to protect against child labor.

Ford has also added language around support for a living wage to our Supplier Code of Conduct to include competitive compensation and benefits that meet or exceed legal requirements.

In addition, we have updated our Supplier Code of Conduct to reflect the expectations we have of our suppliers to respect the rights of Indigenous Peoples in accordance with the United Nations Declaration on the Rights of Indigenous Peoples.

When securing raw material, we require our suppliers to pursue and obtain Free, Prior, and Informed Consent of indigenous communities prior to projects or activities that may affect their lands, resources, and rights.

2023 updates also add requirements for suppliers shipping to Europe to achieve carbon neutrality for Scope 1 and 2 emissions by 2035, ensuring measured progress in meeting Ford's ESG commitments.

The Supplier Code of Conduct now also states our adherence to the Minamata Convention on Mercury, Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

To ensure responsible sourcing of critical raw minerals, Ford requires suppliers to purchase from materials processors that are certified through a third-party responsible sourcing standard such as the Responsible Minerals Initiative's (RMI) Responsible Minerals Assurance Process (RMAP). Raw material suppliers are required to

Human Rights
— continued

source from mines seeking certification via a mining assurance standard, such as the Standard for Responsible Mining from the Initiative for Responsible Mining Assurance (IRMA) or an agreed upon third-party certified equivalent. These certifications are aligned with OECD Supply Chain due diligence requirements. In addition, suppliers must disclose sub-tier and raw material supply chain actors and locations that provide materials used in products supplied to Ford.

Ford will regularly update the Supplier Code of Conduct to reflect changes in regulations and stakeholder expectations.

Our Responsible Materials Sourcing Policy
Our Responsible Materials Sourcing Policy covers conflict minerals, other minerals of concern, and environment, social and governance (ESG) risks in material supply chains, as well as mineral due diligence applicable to the supply chain. This policy was updated to align with the updates made to our Supplier Code of Conduct, including to reflect our commitment to the United Nations Declaration on the Rights of Indigenous Peoples and ensure Free, Prior, and Informed Consent when securing raw materials

Global Framework Agreements
Our Supplier Code of Conduct states our commitment to recognize and respect employees' rights to freedom of association and collective bargaining. We require our suppliers to:

- Work with recognized employee representatives to promote the interests of employees
- Not discriminate or retaliate against any employees, including those participating in a trade union
- Provide opportunities for employees and external stakeholders concerns to be heard, even where there is no representation by unions

Sourcing for Sustainability
ESRS S2-4

We launched the integration of sustainability metrics into supplier sourcing decisions in 2022. The first metric launched, the Sustainability Self-Assessment Questionnaire Rating, requests that suppliers complete the Drive Sustainability Self-Assessment Questionnaire (SAQ) and share responses with Ford. In addition to the SAQ Rating, the following metrics launched in 2023:

- Carbon Neutrality Target — provide a target that is science-based and meets either Ford's European 2035 or global 2050 carbon neutrality goal
- Sustainability Score — based on supplier compliance with sustainability reporting requirements

If a supplier has an unacceptable sustainability finding, the decision to source must be reviewed at the Global Commodity Director level and a corrective action plan must be in place.

Drive Sustainability SAQ
Using the industry standard Drive Sustainability SAQ, we analyze our suppliers' policies to ensure they align with ours. Armed with this information, our sourcing decisions now include results from the SAQ and suppliers' willingness to work with us on compliance through our sourcing process.

In 2023, we continued to focus on growing our supplier SAQ completions and policy alignment with Ford's Supplier Code of Conduct across our global supply base. We migrated from SAQ 4.0 to SAQ 5.0 in 2023, moving to a more comprehensive SAQ.

Supply Chain Engagement
ESRS S2-2

Our efforts to ensure the protection of human rights includes gaining input and perspective from supply chain workers. Supplier engagement typically happens post-sourcing, after a grievance arises through our grievance mechanisms or in response to media reports or requests. Third-party audits resulting in non-conformance can also trigger engagement. In 2023, we piloted conducting supply chain audits prior to initial sourcing.

Grievance Mechanisms and Remedies
ESRS S2-3

Per our Supplier Code of Conduct we require our suppliers to:

- Provide an operational-level grievance mechanism accessible to all employees, suppliers, and the public
- Transparently inform stakeholders on their grievance mechanism, including how to access and use
- To bring the violation or adverse impact to an end; provide appropriate remedies when non-compliance occurs
- Not retaliate against anyone who makes a good faith report of a violation of policy or law
- Report suspected wrongdoing and concerns — including concerns about product safety — to Ford at SpeakUp@ford.com

Ford may ask for confirmation of compliance with the requirements of the Supplier Code of Conduct at any point in its relationship with a supplier, including before business is awarded. Any corrective action plans required to demonstrate or rectify non-conformance to the Supplier Code of Conduct will be according to a mutually agreed timeline and at no cost to Ford.

Ford will not tolerate any retaliation against its suppliers for bona fide reports of unethical or unlawful conduct by our employees or representatives. Suppliers may also utilize and transparently inform stakeholders of human rights and environment-related issues through Ford's External Grievances system. This grievance mechanism is open and accessible for all stakeholders along Ford's supply chain. As noted earlier, an outline of the external grievance process is posted on our corporate website.

Corrective action process and closure audits ensure remedy in alignment with third-party guidance from organizations such as RBA, RCS, and others.

The SAQs request that suppliers have an effective grievance mechanism in place that seeks active feedback after the grievance process is closed and remedied.

Worker Voice App
Supply chain workers can use the Responsible Business Alliance (RBA) Worker Voice Platform to provide feedback, share grievances, and develop skills. The app's grievance mechanism has been posted on our corporate website to increase community members' awareness of and access to this tool.

Ford was one of the first RBA member companies to launch the new RBA Worker Voice Platform to our suppliers. We also leverage the RBA's Worker Voice grievance mechanism to identify and work together with other RBA members to ensure suppliers meet our requirements for human rights and environment issues.

The Worker Voice app is available to all our direct suppliers free of charge, and we actively encourage all suppliers to participate in the platform. We have also invited suppliers to training sessions covering the importance of grievance mechanisms.

We have updated our external grievance mechanism document information. The updates include:

- More structured process flow
- Clearer explanation of process steps
- Icon based instruction letter
- Additional languages

Human Rights
— continued

This document also outlines how issues are raised and monitored, and describes the opportunity for complainants to raise their hands if they experience any negative impact based on their grievance submitted. Any retaliation resulting from a submitted complaint can be reported through our grievance mechanism and will be coordinated accordingly by a third party (RBA).

Supply Chain Due Diligence
ESRS S2-2

Ford works to identify and address potential human rights violations and environmental risks within our business and supply chain.

The enactment of global legislation, including the German Supply Chain Due Diligence Act and other due diligence legislation, have further enhanced our due diligence efforts. Our efforts, including assessing risk, supply chain mapping, third-party validation of supplier policies, and supplier audits, are critical to ensure our compliance. We are also considering environmental risks that may lead to human rights violations.

Read More

In our Policy Statement on Ford's Human Rights Strategy, Policies and Processes

Supplier Risk Assessment Updates
We have updated our annual supply chain risk assessment to identify risks, take appropriate measures to minimize them, and continue alignment with legislative requirements. As we update our risk assessments for our supply chain, we also update the process for addressing and managing those risks. As new issues arise, we will identify whether there are any gaps in our processes and, if so, work to close them immediately.

Enabled by the requirements of Germany's Supply Chain Due Diligence Act, we have strengthened our due diligence processes to identify, prevent, and mitigate risk at our suppliers.

Supplier Assessment Process
We are developing a risk assessment process to identify and drive action on highest risk suppliers first. We first perform an abstract analysis based on country risk, industry risk, and dollars spent with each supplier site. We also evaluate suppliers' alignment with Ford's Supplier Code of Conduct utilizing the Drive Sustainability Self-Assessment Questionnaire (SAQ). Once the SAQs are received, we conduct a concrete risk analysis to determine which suppliers will require an audit based on severity and likelihood. Third-party audits are then conducted on high-risk Tier 1 suppliers and EV battery material sub-tier suppliers.

We identify material impacts on supply chain workers through third-party audits, grievance mechanisms, or via escalation to the buyers for the supplier. Our corrective action process (CAP) monitors compliance and prevents future risks. Closure audits take place after the corrective audits are developed. Along with resolved grievances, they measure the effectiveness of these actions.

Sustainability Responsibility Audits
We regularly conduct sustainability responsibility audits of at-risk Tier 1 supplier sites. We use the Responsible Business Alliance (RBA) Validated Assessment Program (VAP) as well as the Responsible Supply Chain Initiative (RSCI) Assessment. These audits evaluate supplier compliance with both local law and Ford's human rights expectations as communicated in our Supplier Code of Conduct.

Audit Program	Ford Supply Chain Application	Purpose	Type of Audit
Drive Sustainability Supplier Assessment Questionnaire (SAQ)	All suppliers	Evaluate suppliers' policy coverage of environmental, social, and governance topics	Desktop
Responsible Business Alliance Validated Assessment Program (RBA VAP)	High-risk Tier 1 suppliers	Evaluate suppliers' labor, ethics, health and safety, environmental, and management systems practices	On-site
Responsible Business Alliance Specialty Validated Assessment Program (RBA SVAP)	Tier 1 suppliers with alleged labor issues	Evaluate specific list of allegations that have been made against a specific facility with high risk of labor issues	On-site
Responsible Supply Chain Initiative (RSCI)	High-risk Tier 1 automotive suppliers	Evaluate automotive suppliers sustainability practices on social compliance, occupational safety, and environmental protection	On-site
Responsible Minerals Assurance Process (RMAP)	Raw material processors	Evaluate processors' company-level management processes for responsible mineral procurement aligned with Organisation for Economic Co-operation and Development (OECD) Mineral Due Diligence Guidance. Leads to responsible minerals certification	On-site
Responsible Minerals Assurance Process (RMAP) + ESG	Raw material processors	RMAP audit plus evaluate processors' broader ESG management systems	On-site
RCS Global	EV battery raw material suppliers	Evaluate supplier alignment with OECD Mineral Due Diligence Guidance	On-site
Initiative for Responsible Mining Assurance (IRMA)	EV battery raw material suppliers	Evaluate mining companies' environmental, social, and governance performance and management systems. Leads to ESG certification	Desktop and On-site

Human Rights
— continued

Ford is a founding member of the Responsible Supply Chain Initiative (RSCI) launched by the German Automotive Industry Association VDA (Verband der Automobilindustrie). The objective of the RSCI is to develop a standardized assessment for evaluating the sustainability of companies in automotive supply chains, including measures like working conditions, occupational safety, and environmental protection. In addition, it has developed an industry standard audit which is aligned with the German Supply Chain Due Diligence Act requirements as well as upcoming legislation such as the EU Directive on corporate sustainability due diligence. We piloted the RSCI audit in 2022 and expanded our use with automotive suppliers in 2023.

Together, the RBA Validated Assessment Program and RSCI audit represent a collaborative approach to auditing that reduces the burden on suppliers from multiple requests for sustainability audits. Third-party sustainability audits let suppliers know whether they meet their contractual obligations to Ford and our expectations while highlighting areas for improvement.

Both the RBA VAP and RSCI assessments are conducted through independent third-party audit firms that are accredited by the RBA. Audits include worker interviews and can be either announced or unannounced. Audits can also include private in-person interviews with employees at the site, as required by the Ford Supplier Code of Conduct.

Audit results are used to identify and prioritize needed improvements at the facility level. Each supplier who has a negative finding through the audit is expected to develop a Corrective Action Plan detailing causes and provide planned remediation actions to address identified areas of concern and take measures to correct non-conformances. For more serious priority non-conformances, we review and monitor immediate containment plans and longer-term Corrective Action Plans. Closure audits are scheduled to assess the results of Corrective Action Plans, following a timeline based on the priority of non-conformances reported.

In 2023, we conducted a total of 46 initial sustainability responsibility audits of our high-risk Tier 1 suppliers using RBA's Validated Assessment Program (VAP) and using RSCI's protocol. We also conducted 35 RBA and RSCI closure audits of our suppliers.

Remediation of Audit Findings
ESRS S2-3

We rely on cross-industry standard approaches and third-party corrective actions to respond to actual or potential negative impacts on supply chain workers. Third-party corrective actions and certifications from RBA and RSCI are based on international standards and implemented in collaboration with the non-compliant supplier. We also leverage training developed with industry partners through the Automotive Industry Action Group, Drive Sustainability, RMI, and RBA.

We encourage our suppliers to use third-party ESG certifications. Corrective action plans and sourcing holds enforce remedial actions taken by suppliers and mitigate risk in our supply chain.

Suppliers work with region leads based on the results of an SAQ or an RBA Validated Audit. Corrective action plans are put into place to remediate issues and mitigate any gaps between supplier policy and Ford's Supplier Code of Conduct. After the corrective action is complete, a closure audit ensures that the corrective actions have been effective.

When specific risks are identified in the supply chain, processes are in place to identify the suppliers and assign them training.

Supply Chain Sustainability Training
ESRS S2-2, ESRS S2-4

We invite suppliers located in countries and regions where there may be elevated risk to attend training to increase awareness of Ford's requirements and legal obligations, including those related to forced labor and child labor. We reached over 800 external suppliers to provide training and education in 2023.

Our Ford supply chain teams are the first line of investigation into our suppliers. To increase their understanding of sustainability issues, we launched training modules in 2022 directed toward all of Ford's global supply chain employees.

In 2023, 400 global supply chain staff received live online training on our Supply Chain Sustainability programs. We continue to reach our global supply chain teams and provide education in commodity team training sessions throughout the year.

Responsible Sourcing of Raw Materials
ESRS S2-4

Ford uses 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 minimizing environmental and community impact.

It is imperative that we have sufficient raw materials to achieve our goals for electric vehicles. To do so, we are working to identify and negotiate with raw material suppliers to secure materials that meet our ESG requirements. We have implemented processes and structural changes to enable fast action.

We are working diligently to ensure we are ethically and responsibly sourcing and tracing the supply chains and the raw materials that move through them. We are making sourcing decisions that align with our sustainability standards and corporate sustainability commitments.

Mineral Due Diligence
ESRS S2-2

Since 2013, in compliance with the U.S. Dodd Frank Act, section 1502, we have filed an annual Conflict Minerals Disclosure report with the U.S. Securities and Exchange Commission (SEC). The report describes our due diligence process, as defined by the OECD Due Diligence Guidance to ensure suppliers who provide us with components containing tin, tungsten, tantalum, and gold (3TG) understand the origins of such minerals, source them responsibly, and not knowingly provide parts containing minerals that contribute to conflict. Suppliers are required to use smelters and refiners that have been validated as conforming to an independent third-party responsible mineral sourcing validation program.

We continue to enhance our Responsible Materials Sourcing program by expanding the scope of our due diligence to include additional industry-relevant materials and mineral provenance from Conflict Affected and High Risk Areas beyond the Democratic Republic of the Congo and adjoining countries. Ford has conducted a formal due diligence process[39] on cobalt since 2018; mica due diligence since 2019, which was formalized in 2020; and launched formal due diligence on lithium and nickel in 2022.

We use data collected through Responsible Minerals Initiative (RMI) reporting templates to engage processors to undergo RMI's Responsible Material Assurance Process (RMAP) and their new ESG assessment.

Responsible Supply Chain:

How Ford is Driving Sustainability Practices for Batteries

Whether it's building our first carbon neutral factory, saving billions of gallons of fresh water, or using unexpected materials like recycled denim and rice husks in our trucks, we are driven to improve our sustainability over time.

But what about all the things in our vehicles that others make for us?

Today's automobiles are incredibly complex, and all of our vehicles contain parts and materials sourced from vendors all over the world. So how can we be sure that our vehicles truly live up to our own standards?

That's where supply chain mapping and auditing comes in.

Ford's commitment to a responsible and sustainable supply chain isn't new — in fact, it's been a part of the business for more than 120 years. EV components include minerals with inherent risk due to the extraction processes and country locations — and often are regulated differently from country to country.

120

Years of Ford's commitment to a responsible and sustainable supply chain

We use supply chain mapping to understand where materials in our vehicles comes from, and how they're sourced and produced.

Our goal is to ensure that our raw materials are extracted in a sustainable way, and that the people doing the work are treated fairly. This is no small task.

Since 2021, we have been mapping and auditing our EV battery supply chains with RCS Global Group to understand the sources of the cobalt, nickel, lithium, graphite, and electrolytes used in our EVs. This program strengthens our responsible sourcing capacity and drives continual improvements in transparency and responsibility in our raw material supply chains.

Tracing our supply chain can be a difficult maze to navigate, but it's how we can be sure that our suppliers are living up to the standards we set for ourselves. If a supplier falls short, we work with them to remedy their practices. If the supplier continues to not meet our responsible sourcing standards, we have the right to find a new supplier who operates in a more sustainable and equitable way.

The benefits of our supply chain mapping extend beyond Ford. As an industry leader, our best practices influence positive change across the automotive category. Likewise, we seek to learn from the work that other companies are doing.

There's plenty of room on the road to better. We welcome anyone who chooses to travel it with us.

Human Rights
— continued

Initiative for Responsible Mining Assurance
ESRS S2-4

We are proud to be the first U.S. automaker to join the Initiative for Responsible Mining Assurance (IRMA), which works to advance responsible mining practices through third-party verification and community engagement. IRMA ensures a high level of community engagement, including utilizing Free, Prior, and Informed Consent where mines impact Indigenous Peoples' land, resources, and way of life. In order to claim an IRMA Achievement Level, a mine site must meet 40 critical requirements and have corrective action plans to indicate how they will fully meet the requirements within a specific time period. These critical requirements relate to the principle areas of business integrity, planning and managing for positive legacies, social responsibility, and environmental responsibility.

We are also encouraging use of the IRMA self-assessment tool for mining companies to proactively understand gaps to the IRMA standard. The tool also provides guidance for implementation. Mining companies can share the self-assessment results so key stakeholders like Ford can better understand risks and areas of improvement. The IRMA self-assessment can also serve as an important tool to discuss best practices on responsible mining. Mining companies are also encouraged to provide feedback to IRMA to help improve engagement and adoption of the mining standard.

Better Mining
ESRS S2-4

Ford supports Better Mining, an on-the-ground program to proactively identify risks and improve conditions in nine artisanal and small-scale (ASM) cobalt mine sites in the Democratic Republic of the Congo (DRC).

This program contributes to building the capacity of legal ASM cooperatives and sector, supporting state services to help achieve responsible practices in the sector and meet due diligence requirements. Capacity building will also help mining communities meaningfully participate in global supply chains.

In 2023, this effort led to tangible risk management improvements, including the establishment of an accessible grievance mechanism for the ASM sites being monitored, the prevention of incidents of child labor and work by individuals without adequate personal protective equipment, as well as the improvement of work and safety conditions on mine sites.

Battery Mapping
ESRS S2-4

In 2021, we initiated supply chain mapping and auditing with RCS Global Group to deliver a multi-commodity responsible sourcing audit program to understand the sources of the cobalt, nickel, and lithium used in our EVs. RCS Global Group, a recognized leader in data-driven ESG performance and auditing, conducts independent audits using OECD Due Diligence Management Systems down to the mine site.

Since then, the scope of this project has expanded to include plug-in hybrid electric (PHEV) supply chains, graphite and electrolyte battery material audits. In 2023, we piloted conducting supply chain audits prior to initial sourcing. To date, the project has conducted 43 supplier audits along five select battery supply chains at all tiers through to the mine site. These initial audits have led to the identification and mapping of 151 suppliers and identified mine sites in Australia, Chile, China, the Democratic Republic of the Congo, Finland, Indonesia, Russia, and Turkey. No critical risks, including child labor, were identified during the audits.

In early 2023, the Supply Chain Sustainability team underwent a responsible sourcing audit of our nickel, lithium, and cobalt OECD due diligence management systems and will continue to work to close gaps identified. Our collaboration with RCS Global is strengthening our responsible sourcing capacity and driving continual improvements in transparency and responsibility in our raw material supply chains. We also provide our suppliers with the tools and training to support their continual improvement. Suppliers who do not meet Ford standards are required to demonstrate improvement under a Corrective Action Plan that is closely monitored by Ford.

Mapping Ford Battery Supply Chains to the Mine Site

Supplier Type	Number of Identified Suppliers	Country of Operation
Battery	5	China, Poland, Korea, USA
Cathode	5	China, Korea
Electrolyte	1	China
Manufacturer	9	China
Traders	41	China, Korea, Luxembourg, Netherlands, Singapore, Switzerland, United Arab Emirates
Refiner	34	Chile, China, DRC, Finland, Korea, Sweden
Treatment Unit	14	Australia, Chile, DRC, Finland, Indonesia, Russia, Turkey
Large Scale Mine (LSM)	18	Australia, Chile, China, DRC, Finland, Indonesia, Russia, Turkey
Integrated TU and LSM	13	Australia, Chile, DRC, Turkey
Other[40]	11	China
Total	**151**	

Addressing Child Labor Through Economic Opportunities for Women

Ford is addressing one of the root causes of child labor through a program that provides economic opportunities for women in the Democratic Republic of the Congo (DRC). The Ford Fund is working with the Oil and Mines Governance Center (OMGC), to implement a program that aims to break down barriers that prevent women in the DRC from equitably accessing opportunities that cobalt demand provides. The project's goal is to improve the working conditions of these women, increase their incomes, support the stability of their households, and reduce the presence of children in mining.

Launched in 2021, the project is continuing to progress by providing equipment, safety training, access to banking services, and additional financial education for members of co-ops and other women. The OMGC exceeded their training goal for 2023 by training and empowering 210 women to operate in compliance with OECD and CGE (Entreprise Générale de Cobalt) standards regarding labor, corruption, and environmental protection. Additionally, more than 100 women received financial training, and 50 women were assisted in opening banking facilities.

With the support of Ford Fund and OMGC, the women's cooperatives also made significant progress in 2023 to legitimize their operations and secure their long-term rights to mine in this region.

Fund has extended our support into 2024. With the help of OMGC, women working in the Kapata, Tshipuku, and Biwaya artisanal cobalt sites will continue to benefit from training in entrepreneurship, financial literacy, and new regulations for artisanal and small-scale mining.

Human Rights
— continued

Supply Chain Transparency

Supply chain transparency and human rights protection go hand in hand. By improving our visibility into our supply chain, we are enabling better business practices and supply chain resiliency, starting from raw materials and their responsible sourcing. Not only does this help us identify and address human rights risks, it also positions us to comply with due diligence legislation.

When potential supplier issues are identified anywhere in our supply chain, we initiate an investigation to determine whether the supplier is in the supply chain providing parts to Ford. If confirmed, we then work with our Tier 1 supplier to cascade our requirements and confirm compliance with our Supplier Code of Conduct. We are currently developing internal systems to conduct these investigations proactively with suppliers in our highest risk categories.

To align with forced labor and due diligence legislation, we have updated our Supplier Code of Conduct and contractual obligations to require suppliers to share sub-tier supply chain information upon request. We have utilized these updates to conduct supply chain audits for EV batteries, Value Stream Mapping, and traceability data. A new online tool allows suppliers to input their value stream mapping data and post documentation of evidence.

Battery Passport

Upon the passing of the EU Battery Regulation in 2023, Ford began developing a strategy to comply with the new requirements for our Battery Electric and Hybrid vehicles. As part of this process, we consulted cross departmental and external stakeholders, identified and vetted IT solution vendors, and organized a task force to ensure our company is prepared for the upcoming reporting requirements for carbon footprint, durability and state of health, due diligence, recycling, and electronic exchange system.

CATENA-X Leverages Data to Increase Supply Chain Transparency

Our involvement in the Catena-X Automotive Network continues to evolve. Developed to support compliance with the EU Battery Regulation, this initiative will increase the transparency of our supply chain, enabling us to improve sustainability and create efficiencies across the automotive supply chain through continuous data exchange between partners. Our involvement with Catena-X will help the company improve sustainability, ensure human rights standards are followed, and make supply chains even more transparent.

In 2023, we joined the Cofinity-X Beta Phase project. Cofinity-X is enabling the largest collaborative and open data network of partners in the automotive ecosystem for value creation and sustainability across our supply chain while striving to be compliant with Catena-X.

Adhering to Catena-X principles, Cofinity-X operates an open dataspace of distributed, sovereign data sources. This dataspace creates a trusted environment for all its participants to enable the development and deployment of value-generating and digital use cases, from and for its participants across the automotive supply chain.

Through Cofinity-X, we have identified the application partner and have identified five partners for a Product Carbon Footprint (PCF) study. These actions act as the foundational steps that will launch our ability to collect data within the implemented technical environment along our supply chain up to Tier-N.

Supply Chain Partnerships

Mounting requirements and transparency around supply chain are providing opportunities to work across industries to increase supply chain transparency and support human rights. We partner with other businesses, organizations, and coalitions that have the same standards and commitments to a sustainable future as we do.

As a member of the Responsible Business Alliance (RBA), we engage in cross-industry dialogue and standard setting on issues related to human rights in our operations and supply chain and responsible materials sourcing. In addition to being the first OEM to join the RBA in 2016, Ford has maintained membership participation as members of the RBA Board of Directors, including chair from 2020-2023.

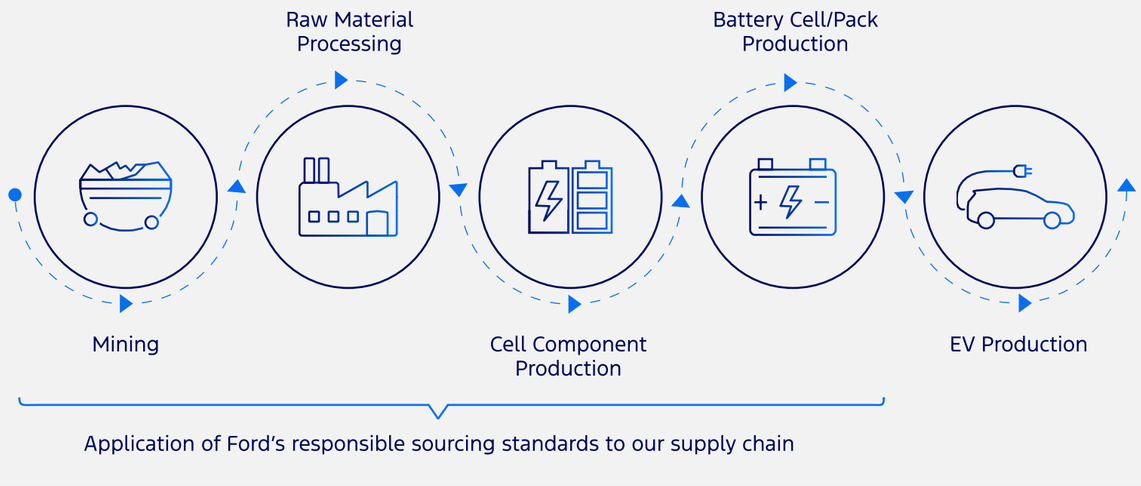
Our membership in the Initiative for Responsible Mining Assurance (IRMA) and promoting the use of comprehensive, third-party assessments of mining practices helps us achieve our responsible sourcing goals. When we became the first U.S. automaker to join IRMA in 2021, we strengthened our human rights aspiration to responsibly source all raw materials used within vehicles globally.

Direct Sourcing of EV Battery Raw Materials

As we transition to electric vehicles, we are building an EV supply chain that upholds our ESG commitments, in alignment with our We Are Committed to Protecting Human Rights and the Environment policy and our Supplier Code of Conduct.

We recognize that some of the EV components include minerals with inherent risk due to extraction processes and country locations. Transparency and traceability are the keys to a more sustainable and accountable mineral supply chain. As we work to discover and audit our current supply chains, we are preparing for our future along the entire EV battery supply chains (see graphic) to obtain transparency and strong commitments to sustainability issues, throughout the sourcing process.

Responsible Sourcing in the EV Battery Supply Chain



Human Rights
— continued

Many global EV battery material suppliers are located in high-risk countries and countries with developing economies that could include vulnerable populations. Our focus on human rights and the environment gives us the opportunity to raise the standards in the communities in which our suppliers operate and ensure our purchasing power can create a positive impact throughout the battery supply chain.

We are working with directly contracted suppliers towards diversifying our supply chain. This will allow us to have a stronger impact as we secure minerals for our EVs more directly and gain transparency into our EV battery raw material supply chains. Working directly with suppliers heightens our ability to have a positive contribution on impacted mining communities. Contracts securing raw material will require suppliers to engage with communities, including respecting Indigenous Peoples' rights, conducting due diligence, and monitoring during all phases of the sourcing process.

We are working with suppliers to implement ESG management systems to strengthen performance and assess for risks that are monitored and remedied as necessary in our partnerships, investments, and the supply chain.

We are also working to align suppliers' ESG performance, programs, and practices with international third-party standards and best practices as well as Ford policies, including our Supplier Code of Conduct.

Meeting ESG Standards
We established a new ESG EV Battery Material Management team that focuses on managing ESG requirements in our EV Battery material supply chain down to the raw materials. Prior to any contracts, we are conducting due diligence with SAQs, risk assessments based on location and materials, and reviewing company-specific ESG performance. When risk issues are identified, we are adding mitigating actions into our supply contracts.

We are requiring suppliers source raw mined materials from suppliers committing to and/or certified by the Initiative for Responsible Mining Assurance (IRMA) or third-party certified equivalent. We also request processing facilities to apply similar independent or third-party standards from RMI that include ESG audits and demonstrate their actions toward responsible sourcing. As a way to address additional risks beyond the most severe human rights issues outlined in the OECD Mineral Due Diligence guidance, we aim to assess our mineral processors and mines to build robust ESG management systems. Finally, as we work toward compliance with various current and upcoming global due diligence laws, we require supply chain transparency down to the mine.

Indigenous Peoples' Rights and Raw Materials
Aligned with our policies, when securing raw materials, suppliers will respect the rights of Indigenous Peoples in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and ensure Free, Prior, and Informed Consent (FPIC) of indigenous communities is pursued and obtained prior to projects or activities that may affect their lands, resources, or rights.

UNDRIP "emphasizes the rights of Indigenous Peoples to live in dignity, to maintain and strengthen their own institutions, cultures and traditions and to pursue their self-determined development, in keeping with their own needs and aspirations."

FPIC allows Indigenous Peoples "to give or withhold consent to a project that may affect them or their territories. Once they have given their consent, they can withdraw it at any stage. Furthermore, FPIC enables them to negotiate the conditions under which the project will be designed, implemented, monitored and evaluated."

IRMA has developed 40 critical requirements, including one focusing on the rights of Indigenous Peoples. This requires new mine sites to obtain FPIC of Indigenous Peoples and existing mines to have obtained FPIC or demonstrate operations that support positive relationships with affected Indigenous Peoples, including providing remedies for past impacts on Indigenous Peoples' rights and interests. Our requirement for mining suppliers to seek IRMA certification or third-party certified equivalent, furthers our commitment to respect Indigenous Peoples' rights. IRMA states that because of the requirement that FPIC be free from external manipulation, coercion, and intimidation, an FPIC process cannot be undertaken in situations where indigenous or tribal peoples are living in voluntary isolation.

In 2023, we secured future materials from one mine site that is IRMA certified.

Responsible Direct Sourcing
Ford has sourced the majority of the lithium and nickel needed to reach our EV capacity targets.

We've announced lithium agreements with global suppliers, Albemarle, SQM, and Nemaska. While these global suppliers give our plan stability, we're also directly sourcing from US-based development projects, including an agreement with Ioneer.

A three party collaboration will advance more sustainable nickel production in Southwest Sulawesi, Indonesia and help make electric vehicle batteries more affordable. The collaboration will deliver materials essential for the auto industry's shift to EVs and enhance Indonesia's EV manufacturing industry while upholding our commitment to responsibly source materials.

Our investment into nickel also provides cobalt as a by-product which diversifies our sources of cobalt beyond the Democratic Republic of the Congo.

We are working towards including specific ESG terms in the agreements that align with Ford's Supplier Code of Conduct, including Ford audit rights and independent third-party audits.

EV Battery Material Due Diligence
ESRS S2-2

Once procurement negotiations are completed, the ESG EV Battery Material Management Team is continuing to conduct risk assessments of our future raw material suppliers to understand areas of highest risk. We are working with suppliers and partners to understand transparency into raw material suppliers and requesting due diligence data from identified suppliers to support alignment with Ford's ESG expectations.

We are also engaging with our partners and suppliers to confirm alignment and actions that comply with our Supplier Code of Conduct, and we are reviewing their ESG management systems to gain insight into their management and risk assessment processes. We are building a tool to help manage ESG requirements and adherence to the Supplier Code of Conduct throughout the life of the contract.

We will continue to conduct due diligence on these suppliers, which could include on-site Ford assessments, where we will work with suppliers to prepare for third-party audits. This allows us to monitor for preparedness and oversight in between third-party audits. Due diligence activities could also include third-party audits like IRMA or RMI and review of corrective action plan implementation.

Diversifying and directly sourcing various parts of the supply chain allows us to ensure sources have stronger ESG throughout the supply chain. Even in cases where we are not directly sourcing, we will have transparency to know our supply chains and complete due diligence in advance and throughout the source of supply.

Human Rights
— continued

Raw Material Sourcing: Lithium in Australia

In 2023, we announced several lithium agreements to secure our EV growth, diversify our supply chain, and ensure we are doing our part to create equitable and sustainable mineral supply chains. As part of this sourcing, we implemented a more robust ESG due diligence system focused on sourcing raw materials at the mine. Our due diligence focuses on potential company, country, and project ESG risks and is used to inform and establish the ESG requirements in the supply agreements.

One supply agreement secured lithium from Albemarle's Kemerton refinery, and sources mined inputs from the Talison Lithium managed Greenbushes mine (Australia, 49% owned by Albemarle). We completed risk assessments that considered Albemarle's public policies, history of risk mitigation and performance, and country level risks. Contracts were written to consider appropriate ESG requirements to protect human rights, working conditions and the environment, all of which were already reflected in Albemarle's Code of Conduct and other policies and inherent in its Core Values.

To address lithium mining risks, we included mitigating actions in the agreement. Albemarle reaffirmed its commitments such as maintaining an ESG management system, complying with policies aligned with the Ford's We Are Committed to Protecting Human Rights and the Environment policy and Supplier Code of Conduct, and conducting an independent Initiative for Responsible Mining Assurance (IRMA) audit verification at the mine site source for the lithium products. Shortly after the agreement with Ford was announced, Albemarle became the first lithium producer to complete an independent audit and have its audit report published by IRMA.

Additionally, the agreement includes other commitments that are already being carried out by Albemarle, such as robust community engagement, including with Indigenous Peoples, that allows for input as well as information sharing on environmental impacts. Ford also recognizes the Greenbushes mine's commitments to enhancing water conservation, decarbonization through further clean energy agreements, and promoting waste recycling and recovery practices.

As part of our commitment to ongoing due diligence and ESG Management, Ford's ESG EV Battery Material Management team will continue to review performance, and collaborate directly with Albemarle, including an onsite assessment. We aim to ensure ESG management in mineral supply chains and are commited to engaging with material suppliers, including working together to improve industry practices and expand our learnings to sub-tier suppliers throughout our mineral supply chains.

Our approach to addressing ESG risks proactively, and in agreement with our suppliers, helps us meet our aspiration to source only raw materials that are responsibly produced. We understand that ESG due diligence, management, and oversight is required regardless of where minerals are sourced, and we will continue to work with our suppliers to improve and implement best practices that protect people, communities, and our planet.

Product Safety and Quality

Aspirational Goals

Safety

Salient Human Rights Issues

Health/Safety

UN Sustainable Development Goals

For more than 100 years, we have earned trust by designing and manufacturing safe, quality products to meet the needs of people around the world. Our customers rely on our attention to quality and the strength of our brand depends on it.

Product Safety and Quality Policies

ESRS S4-1

We have set the sustainability aspirational goal to reduce vehicle crashes and workplace injuries.

Corporate policies and dedicated personnel reinforce our commitment to safety in our products and services and help ensure our products meet or exceed applicable laws and regulations. Our policies support a strategy to help ensure we design and develop safe vehicles and services for all users. Per our Code of Conduct, we actively evaluate quality and aim to deliver continuous improvement in the safe design of our products and services.

As our Code of Conduct notes, we:

- Design and manufacture safety into our products and services, seeking to continuously advance safety in the transportation operating system
- Provide products and services that meet or exceed regulatory requirements
- Promote safe and responsible consumer practices
- Take seriously any safety concerns or product complaints, and address them appropriately
- Prioritize quality in our products and services, seeking continuous improvement
- Implement and follow disciplined systems to measure performance, enhance consistency, and manage feedback
- Take quality concerns seriously, whether from inside or outside the company, and address them appropriately

Safety Governance Process

To deliver our corporate strategy, we have established a cross-functional governance process to review upcoming regulatory rule making, third-party evaluations and ratings, competitive benchmarking, and new technology. These processes also ensure robust program execution.

Designing for Safety

Ford has developed state-of-the-art analytical tools, methods, and computer simulations to complement our engineering analyses and full suite of crash testing, at the component, sub-systems, and full vehicle system levels. By maximizing the benefits of Computer Aided Engineering tools, we can help achieve cost-efficient, weight-efficient, and high safety performance design. We develop these tools and conduct crash and other vehicle attribute evaluation tests at our sophisticated sites in the U.S. and Europe, including the Virtual Test Track Experiment simulator at the Research and Innovation Center in Dearborn, Michigan.

Ford does not use animals for testing nor do we ask or fund others to do that for us. We will continue to be leaders in creating, developing, and validating alternative methods to proving and providing product safety.

Managing Our Relationship with Customers

ESRS S4-2, ESRS S4-3

Ensuring customer satisfaction is an important part of our safety efforts. We take a user-centered approach to customer satisfaction by actively innovating, reviewing customer feedback, and conducting competitive benchmarking to deliver products and customer experiences that contribute to a better world. We are also expanding the use of connected vehicle data to identify potential emerging issues as well as to help us understand what customers may be experiencing.

Managing material impacts, risks, and opportunities related to our customers is central to earning our customers' trust. We use internal and external measurements of quality and brand promotion to help us assess our performance and determine where improvements are needed.

Externally, we use industry benchmarking data to measure our quality success and give us the greatest credibility with external stakeholders and audiences. Warranty repairs are a key metric to measure initial quality. We also include measures of customer excitement to assess product quality.

To mitigate or remediate negative impacts on consumers, we created a Field Service Action (FSA) Implementation Team that optimizes FSA execution and takes care of customers involved in FSAs more efficiently. This enhanced coordination with cross-functional teams has improved timing for production and service parts availability so customer vehicles can be updated quickly when an FSA is required.

Machine learning tools are used and continue to be refined for expedited review of field reports to accelerate the detection of potential issues in the field. We utilize Machine Learning and Artificial Intelligence, such as Large Language Models, to search and categorize field reports, swiftly identifying potential issues from extensive unstructured data without relying on predefined keywords. Leveraging natural language processing, we can identify similar issues regardless of how they are described. By deploying AI for automated categorization and pattern discovery, we aim to enhance efficiency, visibility, and ultimately field safety.

Product Safety and Quality
— continued

To ensure that our actions are effective and deliver the intended outcomes for consumers, we have developed an integrated data management system that tracks investigations all the way through recall remedy implementation. In 2023, we further enhanced system functionality, with new data reports for early-stage investigations and integration of our problem reporting system and quality discipline analysis tools.

We can generate custom reports and metrics within the tool to help track our progress on all fronts. And, customers can view the status of any recalls on their vehicles via the Ford website. Recall completion rates are tracked and reported to the National Highway Traffic Safety Administration (NHTSA) and other agencies.

Our product development process helps us avoid causing material negative impacts on consumers. The process includes internal validation for requirements to ensure our products meet or exceed applicable laws and regulations.

Tracking our Performance
ESRS S4-3

In addition to meeting or exceeding applicable laws and regulations, we establish targets to achieve the desired performance in third-party ratings testing. The timing is based on program cycle and publication of third-party testing protocols.

We measure the time to issue resolution with a "shot clock," leveraging Quality Early Detection and using Connected Vehicle Data to identify potential issues quickly. For example, updating vehicle software via over- the-air update technology (OTA) allows for faster issue resolution without requiring a customer to bring their vehicle to a dealership for repair. With customer consent, Ford can address safety, environmental, and quality issues OTA when the fix involves addressing a software issue and can be performed OTA.

For repairs that cannot be completed OTA, Ford has expanded Mobile Repair and Pick Up and Delivery options to make vehicle service and recall repairs easier and more convenient for customers to complete.

Key Safety Metrics

Ford vehicles continue to achieve high marks and recognition in regulatory and New Car Assessment Programs (NCAP) crash testing assessments. The varying protocols and evaluation criteria of NCAPs and their fast-paced continuous updates to those criteria makes it increasingly difficult to achieve top ratings across all regions; however, many of our vehicles receive the top 5-star safety ratings globally. We continue to place considerable emphasis on our performance in these assessments.

2023 Vehicle Safety Highlights

United States: U.S. NCAP (NHTSA)
- For the 2023 model year, Ford Mustang, Escape, Edge, Expedition, Explorer, F-150, F-150 Lightning, Bronco Sport, and Lincoln Corsair, Aviator, and Nautilus nameplates were rated with 5-star overall vehicle scores.

United States: Insurance Institute for Highway Safety (IIHS)
- For the 2023 model year, Ford Explorer and Lincoln Nautilus received *TOP SAFETY PICK* Awards.
- The Mustang Mach-E, Ford Explorer, and Lincoln Aviator earned overall "good" ratings after successfully completing updated front moderate overlap crash testing.
- Mustang Mach-E achieved "good" ratings in every crashworthiness and crash avoidance safety category tested by IIHS, making it the top scoring electric midsize SUV of all tested through March 2023.

Europe: Euro NCAP
- No vehicles received a star rating in 2023.
- Programs with valid published 5-star rating (and available in Europe during 2023): Ford Mustang Mach-E, Fiesta, Focus, Kuga, Explorer, Tourneo Connect, and Ranger. These vehicles represent 64% of nameplates in EU market in 2023.

China: China NCAP
- Ford had two China NCAP 5-Star rated vehicles in 2023: Ford Equator Sport and Lincoln Zephyr. These vehicles join existing nameplates Edge, Everest, Explorer, Focus, and Mondeo with valid published 5-sar ratings and available in China during 2023.

China: C-IASI (China Insurance Automotive Safety Index)
- Ford Mondeo and Mach-E were awarded C-IASI Good Rating for all safety assessments in 2023. These join the nameplates Focus, Escape, and Mach-E which are available in market and have previously achieved the C-IASI Good Rating.

Australia & New Zealand ANCAP
- Mustang Mach-E Select and Premium models offered in Australia were awarded 5-Star ratings in 2023. These vehicles join existing nameplates Puma, Escape, Everest, Ranger with valid published 5-sar ratings and available in market in 2023.

Euro NCAP Commercial Van Rating
- Ford received van ratings for Transit (Gold) and Transit Courier (Platinum). The Courier rating is the only Platinum rating awarded this year and also the highest ever score achieved.

UK What Van Safety Award
- The Transit Custom and Transit Courier received first and second place respectively.

Safety Features

U.S. Automatic Emergency Braking (AEB) Commitment
Ford's Automatic Emergency Brake (AEB) Pre-Collision Assist feature[5] scans the road ahead and can alert drivers to potential collisions with vehicles or pedestrians directly in the driver's path[41]. 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.

Ford committed to equip at least 95% of all new light-duty vehicles (under 8,500 pounds) with AEB in the U.S. market by September 2023. Ford met that commitment two years early and continues to improve. For 2024 model year, Pre-Collision Assist with AEB is offered as standard on 98% of Ford and Lincoln cars, light duty trucks[5], and SUVs.

Ford is continuing our AEB commitment for vehicles in the 8,501 to 10,000-pound range, which requires 95% AEB fitment by September of 2026. 78.03% of Ford vehicles in this weight class have AEB standard as of August 31, 2023. Ford will also be selling AEB equipped vehicles in Canada at similar levels.

Combating Heatstroke in Vehicles
Since 1998, at least 969 children have died from Pediatric Vehicular Heatstroke in the United States[42], including cases where children were forgotten in the vehicle, knowingly left, gained access on their own, or were trapped.

Ford's Rear Occupant Alert System gives an "in-vehicle" audible and visual warning that alerts the driver to check the back seat of the vehicle for occupants after the vehicle is turned off. Some vehicles are also capable of sounding the exterior horn as a part of the warning escalation. When the ignition is on and a rear door is opened and closed, or ignition is turned on shortly after

Product Safety and Quality
— continued

the opening and closing of the rear doors, the system infers the potential presence of occupants in the rear seat and triggers the alert when the vehicle is turned off.

In 2019, Ford committed to equip at least 95% of passenger vehicles with rear doors and rear seating positions (under 10,000 pounds) in the U.S. with a rear seat potential occupant reminder system by September 1, 2024. Ford met that commitment a year early, as the Rear Occupant Alert System was standard on 98.4% of the applicable United States vehicles when Ford reported its annual update to the National Highway Traffic Safety Administration (NHTSA) in October 2023.

Ford initiated research and advanced engineering projects to help develop interior cabin radar sensing to potentially detect the presence of occupants.

We will continue to enhance warning notifications for future models and research technologies that can detect in-cabin occupant presence. These features will help address scenarios beyond those defined by the 2019 Voluntary Agreement and should enhance effectiveness in minimizing and potentially avoiding pediatric vehicular heatstroke cases.

Digital Rearview Mirror Gives Better User Experience
Ford Pro™ continues to use technology to give commercial customers a better user experience while helping improve productivity with an available new Digital Rearview Mirror available on 2023 Ford Transit® and E-Transit vans. The Digital Rearview Mirror features a high-definition monitor that displays a panoramic view of the area behind the van, allowing drivers to spot cyclists, pedestrians, and other vehicles, even when a bulkhead, cargo, passengers, or windowless rear doors are in the way.

Exit Warning Keeps Pedestrians and Cyclists Safe
Exiting a vehicle onto a busy street or sidewalk exposes cars, pedestrians, and cyclists approaching from behind to the risk of an unexpected open door. A new driver assistance feature called Exit Warning, is now available on all models of the all-new 2024 Ford Mustang to help share the road and protect vulnerable road users like cyclists, scooter riders, and pedestrians.

Available Exit Warning is designed to alert the vehicle's occupants with audible and visual alerts via Ford SYNC, on the Mustang's instrument cluster and side mirror if rear approaching traffic, cyclists, or pedestrians are detected. Available Exit Warning uses the vehicle's rear corner BLIS® (Blind Spot Information System) radar sensors when parallel parked to help detect other vehicles, cyclists, and pedestrians moving towards the vehicle's sides from behind and warn occupants before they open the door to exit the vehicle.

Advancements Made in Active Safety Technologies and Co-Pilot 360 Technology
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. From blind spot detection to parking assistance to hauling cargo, Co-Pilot 360 gives drivers a clear view of the road ahead and the path behind them.

New BlueCruise Features
Our in-house team is constantly improving BlueCruise — adding features and enhancing its hands-free Advanced Driver Assist Systems (ADAS) with experiences that offer a more human-like driving feel.

BlueCruise Version 1.3 rolled out in late 2023. The latest version of our cutting-edge driver assist technology adds lane change support and other refinements that keep drivers in hands-free mode on average five times longer than version 1.0.

BlueCruise continues to receive external recognition. In 2023, BlueCruise was recognized as Consumer Reports top rated Active Driver Assistance system, for the second year in a row.

Read More

In Connected Vehicles and Digital Services on p.40

Reverse Brake Assist
Reverse Brake Assist can help reduce or avoid a collision when backing up by automatically applying the brakes when the system detects an object in the vehicle's path. Reverse Brake Assist utilizes sensors on the rear bumper and the rearview camera to detect objects and help reduce or avoid a collision. The system is active when the vehicle is in Reverse and traveling at a speed above 1 mile per hour (mph) but below 7 mph. A message and warning indicator will appear when the system automatically applies the brakes.

Trailer Reverse Guidance
Available Trailer Reverse Guidance enhances visibility with cameras in the sideview mirrors and visual guides in the center dash screen to give extra assistance when you are backing up a trailer. Drivers get a clear view of where the trailer's going while Trailer Reverse Guidance coaches them along the way.

Pro Trailer Backup Assist™
This available feature makes backing up a trailer as easy as turning a knob — simply rotate in the direction you want the trailer to go and Pro Trailer Backup Assist responds accordingly.

Pro Trailer Hitch Assist™
Available Pro Trailer Hitch Assist helps drivers hook up trailers more easily by automatically controlling the steering wheel, throttle, and braking to align the hitch ball and trailer coupler. The user needs to confirm the trailer coupler height is ½ to 3 inches above the hitch ball during the feature use. The driver holds down the pro trailer button and once the two are aligned, the truck stops and the driver lowers the trailer onto the tow ball.

Smart Hitch
Available Smart Hitch is designed to help drivers easily load trailers and practice safe towing. Smart Hitch helps the customer distribute trailer weight correctly by measuring the tongue weight of a trailer being connected. Smart Hitch calculates the trailer's appropriate tongue weight after it is set up on the center touch screen and provides guidance on weight distribution or hitch overloading on the screen or on the FordPass App. The truck will indicate if the current hitch weight is too high or low, and can even guide owners through properly tensioning a weight-redistributing hitch.

Keeping Occupants Safe

Precompetitive Partnerships
To enhance the safety of vehicle occupants, maintain competitiveness and leadership, and support our aspiration to be the most trusted company, Ford collaborates globally with other automotive manufacturers, suppliers, policy makers, associations, research institutions, and universities.

For example, Ford is a member of the U.S. Council for Automotive Research (USCAR). We work under the USCAR Safety Technical Leadership Council (TLC) to identify safety challenges, technical issues, and vehicle accident safety research needs. We are currently conducting precompetitive vehicle safety research on the effects that new and emerging vehicle technologies and safety requirements will have on vehicle safety. We are also working under the USCAR safety TLC umbrella on precompetitive projects on next-generation Anthropomorphic Test Devices, or crash dummies, to assess and validate their repeatability, reproducibility, durability, and ease of use to help shape future regulations and help NHTSA develop meaningful

Product Safety and Quality
— continued

protocols that lead to real world safety enhancement in motor vehicle accident outcome.

As a member of the Alliance for Automotive Innovation, we are working with other automotive manufacturers on generating responses to regulatory agencies such as the National Highway Traffic Safety Administration (NHTSA) and Insurance Institute for Highway Safety (IIHS) and precompetitive research on Large Truck Safety and biomechanics for Head Injury criteria.

Other collaborations include the European Automobile Manufacturers Association, the Society of Automotive Engineers, the International Organization for Standardization (ISO), the Global Human Body Modeling Consortium, and the Canadian Vehicle Manufacturers' Association.

Ford has funded and executed precompetitive safety research projects with universities such as University of Michigan Dearborn, University of Michigan Transportation Research Institute, Michigan State University, Wayne State University, and Tsinghua University in China. We often publish the research results in peer-reviewed journals and scientific publications.

We have been a member of the Driver Alcohol Detection System for Safety (DADSS) program, since it was established. This cooperative research partnership is developing an alcohol detection technology that passively detects driver impairment and prevents the car from moving. Ford provided an active lead in both the technical and policy working groups developing the alcohol sensing technology. Ford collaborated with DADDS on implementing passive breath sensors in two Mach-E vehicles in Connecticut for fleet evaluation.

We also partner with Ford Motor Company Fund, the company's philanthropic arm, on their work to promote affordable, reliable, and safe mobility for those experiencing transportation insecurity.

When it comes to safety, these efforts by Ford Fund include philanthropic grantmaking to a variety of organizations that prioritize safety for vulnerable road users in low-income communities, as well as the long-running Driving Skills For Life program.

Now in its 21st year with global activations spanning the United States, Europe, and IMG regions, this program invites newly licensed and permitted teenage drivers to go through various hands-on training exercises to ensure that teen drivers, as well as the pedestrians, cyclists, and transit users who they interact with on the roads, can all have a right to a safe mobility journey. In the United States, Ford Fund partners with the Governors Highway Safety Association to bring these Driving Skills For Life events to 10 Ford communities.

In December 2023, Ford Fund announced a $5 million investment in mobility solutions focused on addressing transportation insecurity in Ford's hometown communities located in Southeastern Michigan, Louisville, Kansas City, Chicago, Ohio, West Tennessee, and Buffalo. With its Safety in Mobility work, Ford Fund works so that every person is free to move and pursue their dreams through affordable, reliable, and safe transportation.

Post-Crash Response
In addition to helping occupants call for assistance after an accident, our 911 Assist can give first responders potentially life-saving information, quickly and efficiently. Available through SYNC and our new Ford and Lincoln Digital Experience infotainment system, 911 Assist shares a GPS location with the operator and relays data on impact velocity, crash type, safety belt use, and airbag deployment, helping emergency services respond appropriately.

The majority of our vehicles also carry the SOS Post-Crash Alert System, which alerts passers-by and first responders to a vehicle's location. In addition, e-Call, a modem-based system, is being introduced in a number of countries across the globe.

EV Battery Health and Safety
Ensuring the safety and quality of EV batteries is crucial to building trust in our fleet of electric vehicles. Every Ford EV includes a battery quality operating system. Quality checks and tight process controls are integrated throughout the battery cell manufacturing and battery pack screening during vehicle assembly. Once a vehicle is built, Ford leverages cloud-based vehicle monitoring and detection and can communicate with connected customers if a voltage anomaly is detected. Ford also provides high voltage safety publications including a Workshop Manual for vehicle technicians and an Emergency Responders Guide for first responders.

Ford EVs are subjected to crash testing that far exceeds the stringency of regulatory requirements. For example, we conduct front, side, and rear impact crash tests at 5 mph above the speeds required by safety regulations, which translates to increased impact energy and severity as compared to what is required by law.

We also conduct crash tests beyond what is required by regulations and consumer testing, enhancing robustness, and furthering the high level of safety of our EVs.

We are the only company in the world that certifies our EV and internal combustion engine police interceptor vehicles at 75 mph speed with 50% offset rear impact crash tests — the most stringent rear impact test that exceeds legal requirements. This internal commitment helps the battery and structural design in EV police interceptors successfully survive.

Safety Research Partnerships

EV safety research	Evaluating the safety performance of lithium-ion batteries with Sandia National Laboratories and the National Renewable Energy Laboratory. Effort includes developing mechanical, thermal, and electromechanical multi-physics modeling capabilities to help predict lithium-ion battery performance and damage when subjected to an impact.
Technical challenges of self-driving vehicles	In addition to the American Center for Mobility, Ford is a member of the Autonomous Vehicle Industry Association and is working toward a world where safe and trusted autonomous vehicles increase road safety and improve mobility opportunities for all.
Vehicle-to-Vehicle (V2V) safety communication systems	Ford is a member of the 5G Automotive Association to advance connected technology for automotive applications. Ford is also a member of the Leadership Circle for Mcity to shape all aspects of the future of mobility.
Cybersecurity	Ford is a member of the AutoISAC an industry-driven community to share and analyze intelligence about emerging cybersecurity risks to the vehicle, and to collectively enhance vehicle cybersecurity capabilities.
Driver distraction and Advanced Driver Assistance technologies	Ford is a board member of the Automotive Coalition for Traffic Safety and is funding research on developing a passive blood alcohol content detection system to reduce drunk driving. In 2023 Ford joined the Partnership for analytics, research, and traffic safety, which is a data sharing partnership that serves as a source for real-world data driven traffic safety information.

Product Safety and Quality
— continued

Ford has executed a number of battery safety projects funded by the U.S. Department of Transportation National Highway Traffic Safety Administration (NHTSA) and the U.S. Department of Energy to support governmental and industry priorities in electrified vehicles. We are also sponsoring and funding precompetitive battery safety research projects related to EV and battery safety such as Lithium-ion Multiphysics Modeling, Post Crash HV/LV (high voltage and low voltage) Components, and Connectors and Intrusion Effects on HV (high voltage) Batteries.

Monitoring Product Quality and Brand Advocacy

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

We use several metrics including, warranty repairs, customer advocacy, and customer excitement to understand how consumers perceive the quality experience from our products.

Our Quality Net Promoter Score (QNPS) metric, which measures the ownership experience at three, 12, and 36 months in service, helps us understand and improve our consumers' quality perceptions and advocacy over their ownership cycle. QNPS has provided a comprehensive and holistic view of quality by capturing both customers' "likes" (e.g., "Things Gone Right") and items customers "like least" about our products. We enhanced our process in 2023 by conducting QNPS continuously, talking to our customers monthly throughout the year. We have migrated from QNPS to Corporate Net Promoter Score (CNPS) for 2024 given the rich insights we are learning regarding the services we offer our customers in addition to product insights.

Ford Motor Company realized improvements at three months of ownership in our 2023 QNPS metrics. QNPS provides timely and actionable insights that align with various industry performance indicators of quality, such as the annual studies conducted by J.D. Power.

We leverage external, industry benchmarking data to understand the relative strength of our quality performance and our improvement opportunities. This also provides us the credibility with external stakeholders and audiences. All Ford plants are accredited to ISO 9001:2015.

Industry — 2023 Quality Achievements

- Initial Quality Study (IQS): In the J.D. Power IQS results, which ranks automotive Original Equipment Manufacturers (OEMS) and their brands based on problems per 100 (PP100). Ford Motor Company's (FMC) rank position was 23rd among OEMs in the Industry. Additionally, the Ford brand rank was 15th among "Mass Market" brands. The Lincoln brand ranks 12th among "Premium" brands. FMC received an award for the Ford Ranger (Midsize Pickup) along with four models ranking within the "Top 3" of their segments: Ranger and Maverick (Midsize Pickup), Bronco Sport (Small SUV), and Lincoln Nautilus (Midsize Premium SUV).[43]
- J.D. Power Automotive Performance, Execution and Layout Study (APEAL): Ford Motor Company ranks 10th among OEMS. Ford Brand ranked 10th in "Mass Market" brands, scoring one point higher than the segment average; Lincoln Brand ranked seventh in "Premium" brands, scoring two points higher than the segment average. FMC had four models ranking within the "Top 3" of their segments: Mach-E (Compact SUV), Bronco Sport (Small SUV), Maverick (Midsize Pickup), and Nautilus (Midsize Premium SUV).[44]

Improving our Quality Processes with Data and Technology

We are leveraging data analytics and data management to improve vehicle quality, customer safety, and customer satisfaction.

Increasing our use of advanced data analytics and machine learning will help us detect potential issues across our vehicle portfolio earlier — even before delivering the vehicle to the customer. Our Early Quality Issue Suite draws on multiple data sources, from connected vehicles to customer service calls, to accelerate the investigative process. This tool minimizes time from detection to correction by combining this information with automatic anomaly detection and root cause analysis.

We continue to improve our integrated data management system for tracking investigations all the way through recall implementation. We are expanding the numbers of parts and subsystems that we can precisely trace to vehicle-specific builds when an issue arises. This avoids issuing wider recalls targeting a date range of vehicle identification numbers, which generally involve broad vehicle populations that may not all be affected. By precisely identifying recall populations we can limit the number of customers who are inconvenienced and optimize the number of remedy parts needed.

Human Capital Management and Diversity, Equity, and Inclusion

ESRS S1-4

Aspirational Goals

Diversity, Equity and Inclusion

Salient Human Rights Issues

Fair work

Harassment/ Discrimination

UN Sustainable Development Goals

A new culture is taking root at Ford. One that demands focus, collaboration, and excellence. One that pulls together our entire team around the globe to achieve our purpose of helping to build a better world where every person is free to move and pursue their dreams.

Our talented and passionate teams are embracing the future, and the challenges and opportunities it will bring, without losing sight of our legacy of serving the world with integrity and competence. We are committed to giving them the tools they need to succeed.

Human Capital Management and Diversity, Equity, and inclusion (DEI) Policies

ESRS S1-1

We have set the sustainability aspirational goal to support a diverse, equitable, and inclusive workplace where each person is valued.

Ford's Code of Conduct includes our 17 Corporate Policies which outline the company's commitment to and expectations for employees. Employees are expected to operate in alignment with the Code of Conduct at all times.

We treat our workforce fairly, humanely, and with respect and dignity. We recognize and respect employees' rights to freedom of association and collective bargaining and work with recognized employee representatives to consider the interests of employees at all times.

We do not discriminate or retaliate against any employees, including those participating in a trade union. Even where there is no representation by unions, we provide opportunities for employee and external stakeholder concerns to be heard.

A link to our internal We Are Committed to Speaking Up and Eliminating Retaliation policy is included in the Code of Conduct. The Code of Conduct also lists all the channels available for employees to report any type of concern. Employees can file reports in person, via email, online, or via toll-free hotline, and may report anonymously if desired.

We commit to not tolerating harassment or discrimination of any form, supporting diversity, providing a healthy and safe working environment, protecting consumer and employee data privacy, and prohibiting bribery. These policies are described in more detail in our Code of Conduct.

Supporting a Just Transition

While the shift to electric vehicles is critical to Ford achieving our business and sustainability goals, the transition comes with challenges that we cannot ignore. As we transition to EVs, labor and employment markets will continue to require new skills, new ideas, and new habits of mind. Building this future requires changing and reshaping virtually all aspects of the way we have operated for more than a century. Consequently, we are reorganizing some functions throughout our business. We will live up to our duty to care for and support those affected, providing not only benefits but significant help to find new career opportunities.

As we continue to implement our EV strategy and move toward carbon neutrality, we are supporting a just transition for our employees, our supply chain, and the communities in which we operate. We recognize that new skills and learning approaches are needed as the transition to EVs disrupts business models across industries and new value streams emerge. Ford supports a just transition by preparing our workforce and local communities for the transition to EVs.

Workforce and Talent Development

Ford is committed to providing hourly and salaried employees with the opportunity to upskill and reskill with supportive training programs both internally and with the help of community partners. We are dedicated to the principles of lifelong learning, embracing a growth mindset and career development. Engineers who previously developed state-of-the-art internal combustion engines (ICE) 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.

Community Access to Quality Jobs

As we build an electric future at our plants, we are providing opportunities to skill and connect community members with manufacturing careers. BlueOval City in Stanton, Tennessee will be one of our most technologically-advanced manufacturing campuses to date, and will create thousands of jobs.

Engaging with Labor Unions

ESRS S1-2, ESRS S1-8

Ford has a longstanding history of working with unions, and we remain committed to the agreed collective bargaining process. In Europe, Ford has a long standing European Works Council that allows for meaningful exchange at the regional level. Working conditions and terms of employment are influenced by collective bargaining agreements, where applicable, at the country level and based on the employee type (salary, hourly, management).

In 2023, Ford engaged in collective bargaining around the globe with our respective union counterparts. We reached new labor agreements in our European, IMG, and Americas regions addressing wage increases and other provisions supporting the employee experience.

Human Capital Management and Diversity, Equity, and Inclusion
— continued

ESRS S1-4

Employee Engagement

ESRS S1-2

Employee engagement is a catalyst for our success. We leverage a multi-channel open dialogue to keep our employees informed, engaged and vested in the company's success. Our regular cadence of communications provides opportunities to frequently share information and business updates. It includes global Town Halls, our intranet and websites, corporate publications and reports, social media, webcasts, and executive Q&A sessions with senior management, labor-management committee meetings, as well as Employee Resource Group initiatives led by the Global DEI Office.

Social Action Council

We launched our Social Action Council in 2022 to promote and support positive change. A cross-functional team of Ford leaders, the Social Action Council assesses the impacts of social issues on Ford's business and stakeholders and presents engagement recommendations to the company's executive leaders and Board of Directors based on Ford's purpose, business, and capacity to make an impact.

Employee Feedback

S1 SBM-2, ESRS S1-2

Understanding our employees' concerns is essential. We seek feedback from our employees via our annual engagement survey and always-on shorter pulse surveys. Results are shared with senior leadership. Moderated discussions with senior leadership on the feedback received and potential actions to take then drives action planning and goals.

Other opportunities to share feedback include direct interaction with communication coordinates and leaders.

Continuous Feedback Via Always-On Survey

Measuring employee sentiment via an always-on survey ensures leadership understands the general pulse of employees and can respond in a timely fashion to issues and concerns. Results of all of our employee surveys are presented to senior leaders in dashboard formats that support better and faster data-informed decisions.

Employee Sentiment Survey

In 2023, we revamped the content of our annual sentiment survey of global salaried employees to include new metrics. Eleven key metrics that can be trended from 2022 showed an increase in favorability. We also added a U.S./Canada Non-Salaried Voice Survey in 2023.

The annual salaried engagement survey is sent to employees via an email which explains the data governance process. To ensure individual employee confidentiality, no results for any group of less than five is shown. Our privacy policy and confidentiality disclosures are shared with all employees.

Key Metric Results from Global Salaried Voice Survey

At Ford, we are creating an inclusive environment. The following metrics reflect sentiment around these efforts:

- 88% of survey participants say that at Ford, people feel respected regardless of their differences; up from 86% in 2022
- 87% feel like they belong and can be themselves at Ford, up from 82% in 2022
- 90% say their People Leader treats everyone on their team fairly and equitably, regardless of their differences
- 84% feel safe to express concerns about problems and tough issues

Our employees indicated that they feel a sense of satisfaction with their jobs, feel valued, and feel supported in taking care of their wellbeing. The following metrics reflect sentiment around our efforts to support employees:

- 74% feel valued as an employee of Ford; up from 69% in 2022
- 85% are satisfied with their job
- 91% say their People Leader supports their efforts to balance their work and personal life

Equal Pay for Equal Work

ESRS S1-16

We are committed to equal pay for equal work. This commitment applies to all forms of pay, including base salary, incentives, bonuses, and other forms of compensation.

Our We Are Committed to Protecting Human Rights and the Environment policy mandates that we "Comply with applicable laws regulating hours of work and support a living wage by providing competitive compensation and benefits that meet or exceed legal requirements."

Our Total Rewards office assessed our global remuneration policies and practices to confirm alignment with the Wages & Benefits guidance set forth by the Responsible Business Alliance (RBA) and the Automotive Industry Action Group. The assessment considered competitive wages, benefits, and overtime compensation. Our evaluation confirmed that all Ford employees globally receive wages and benefits which, at minimum, respect minimum wages, overtime compensation, medical leave, and government-mandated benefits, and are adequate to cover basic needs, as well as enable a decent standard of living.

Our 2023 Global Salaried Gender Pay Ratio is 98.7%. This ratio is defined as the ratio of average female salaries to average male salaries adjusting for region, pay grade, salary plan, education, and experience worldwide. Our U.S. Salaried Minority Pay Ratio is 101.5%. This ratio is defined as the weighted average ratio of average minority salaries to average non-minority salaries among employees in the same skill team and pay grade.

Although our analysis shows no indications of systematic pay bias, we monitor our entire compensation structure to ensure that all employees are paid appropriately.

Employee Benefits

We are committed to meeting our employees' needs while balancing the needs of the business. At Ford, the purpose of work defines where that work is done. We take a consistent approach to flexible work patterns and arrangements globally. We maintain a hybrid work model for our non-place-dependent workforce and have developed guidelines and tools to support those who choose this path.

Job sharing programs and mechanisms are available for those who want to work reduced hours. Employees in North America, Europe, and India who are interested in job sharing can create a profile on our JobShare Connect app, search for matches and reach out to potential partners.

Family Benefits

In 2023 we introduced new family-building benefits that cater to every unique journey to parenthood for our U.S. salaried employees. The new benefits offer reproductive assistance/fertility treatments, surrogacy reimbursement, and include an expansion of the current adoption reimbursement benefit. They are designed to help alleviate the financial burden and provide support to make the process easier to understand and navigate.

Human Capital Management and Diversity, Equity, and Inclusion — continued

ESRS S1-4

Employee Learning and Development

ESRS S1-13

Learning plays a pivotal role in unlocking the potential of Ford's employees. All Ford employees have access to robust learning opportunities in our learning experience platform, enabling them to take ownership of their professional development. And we're committed to modernizing learning to meet employees where they are, providing experiences for Ford colleagues working remotely, hybrid, and in-office.

Work is underway to reimagine the way Ford colleagues learn, including new just-in-time delivery platforms that can provide colleagues with the learning they need, right when they need it. And we'll launch new People Leadership development experiences — grounding our leaders in solid management and leadership principles and techniques.

Grievance Mechanisms and Remediation

ESRS S1-3

We are committed to speaking up and preventing retaliation. We encourage our employees to speak up if something doesn't seem right or might violate our policies, our Code of Conduct, or the law. Speaking up about good-faith concerns honors our commitment to integrity, fairness, and continuous improvement.

If there are violations of the Code of Conduct, our policies, or the law, Ford wants to know in order to address the situation and continue to improve our business.

Ford has a process in place to review and respond to reports as appropriate. We keep information related to reports confidential, sharing it only as needed to carry out an investigation by designated individuals.

Grievance Mechanisms: What Happens After You Make a Report?

1. **You make a credible report.**
   - You may choose to report anonymously, where applicable laws allow, but it helps the investigation if you provide your name and/or contact information.
2. **Your report is logged in the system.**
3. **Your report is routed to the appropriate internal resource.**
   - Compliance Office
   - People Matters
   - Office of the General Counsel
   - Corporate Security
   - Others as Appropriate
4. **We develop an investigation plan.**
5. **The investigation proceeds.**
   - It's your responsibility to participate fully in an investigation if you are asked.
   - It may not be apparent to you that an investigation is proceeding.
6. **The allegations are verified or found to be without merit.**
7. **The appropriate action is taken.**
   - Determine if any process or program enhancements are needed.
   - Determine if policies or procedures need alteration.
   - Determine if discipline is needed.
   - Other actions as appropriate.
   - For confidentiality reasons, we may or may not be able to make you aware of the outcome of an investigation or any actions taken.

We do not tolerate retaliation in any form against someone who makes a good faith report or participates in an investigation.

Human Capital Management and Diversity, Equity, and Inclusion
— continued

ESRS S1-4

Ford will support and protect anyone who raises a good-faith concern in connection with a potential violation of the Code of Conduct, company policies, or the law. Ford strictly prohibits retaliation against anyone for reporting in good faith a suspected violation or for assisting with an investigation.

The online platform, SpeakUp.ford.com, is a confidential and secure channel to report concerns related to Corporate Policies, the Code of Conduct, the law, or other compliance and ethics matters. The SpeakUp site is managed by a third-party vendor. Employees may also report concerns to their People Leader, HR, People Matters, or the Office of the General Counsel (OGC).

Both the Code of Conduct and the We Are Committed to Speaking up and Eliminating Retaliation policy include an explanation of the process after a report is filed. The OGC uses a third-party vendor to track SpeakUp complaints.

Once a report has been filed, the report is logged into the system and then routed to the appropriate internal resource. When warranted, an investigation plan is developed and the investigation proceeds. The allegations are then verified or found to be without merit. The process concludes with the appropriate action being taken.

There are specific channels for handling employee-related matters including work-related issues relating to compensation, discrimination, harassment, employee benefit concerns, the Code of Conduct, and company policies. All Corporate Policies and the Code of Conduct include a section emphasizing the importance of speaking up and a reference to the Policy.

We send a People Matters Post-Investigation Survey to randomly selected known complainants so that we can receive their feedback. We use this employee feedback to determine if processes and/or programs require enhancement; if policies or procedures need alteration; or if any other actions are needed as appropriate.

To mitigate material risks and pursue material opportunities, we provide Integrity Training to the salaried workforce. We also include relevant questions in the Integrity Training survey and in our Employee Voice survey.

Global Diversity, Equity, and Inclusion (DEI)

Ford is committed to supporting and sustaining a diverse, equitable, and inclusive workplace. As we move forward, our intention is to harness the power of our talented team to help fuel our transformation and further empower Ford to better serve the diverse customers and communities where we live and work.

Women in Ford's Workforce

Global Salaried Employees by Gender	
Women	28.0%
Men	71.9%
Women on our Board of Directors	28.6%
Women in Top Management	25.6%
Women in Professional Level	27.9%
Women in Hourly/Production Positions	21.1%

Our Global DEI Vision

We respect the different cultures and beliefs of our team members, customers, and the communities we serve.

Our journey is ongoing and our commitment unwavering as we nurture an equitable workplace where each person is valued, empowered to do their best work, and inspired to move freely and pursue their dreams.

As the company transforms, so have our plans to advance global DEI. We are focused on the long-term cross-functional work required to put the resources and systems in place to equitably support each employee's career journey, and to grow and sustain an inclusive, global workplace.

Employee Resource Groups

Employee Resource Groups (ERGs) are voluntary, employee-led global organizations that operate as part of the Global DEI Office. ERGs connect individuals, and allies, who share common affinities, interests, and experiences and serve as a place for employee learning, collaboration, and development.

In 2023, we transformed how our global ERGs operate in order to increase efficiency, better support employees, and to further advance the Ford+ plan. All 10 global ERGs are aligned to promote and support diversity and inclusion by focusing on three strategic areas:

- People — Offer a network for employees sharing an affinity to connect, collaborate, and access resources for personal and professional development.
- Community — Promote the company's commitment to philanthropy and to building a better world.
- Business — To act as brand advocates and support the Ford+ plan.

Equal Employment Opportunity

Our EEO-1 report provides a snapshot of our U.S. demographics as of year-end 2023, based on occupational categories prescribed by the federal government that aggregate jobs with widely varying skill requirements. Approximately 95% of all Ford Motor Company hourly and salaried positions fall into just four of the 10 categories. The usefulness of this data for measuring diversity success, and for making direct comparisons to other companies or other industries with different job structures, is therefore extremely limited.

To address these shortcomings, Ford has developed a more robust supplemental report that disaggregates technical jobs in fields such as engineering and information technology, which pose recruiting challenges that are very distinct from non-technical roles.

The supplemental report also provides more nuanced breakdowns of diversity at various managerial levels.

We are committed to equal pay for equal work. Employee compensation in each market should be fair and equitable, irrespective of gender, race, or similar personal characteristics. Equal pay for equal work applies to all forms of pay, including base salary, incentives, bonuses, and other forms of compensation.

Read More

In the EEO-1 report and the Supplemental Report

DEI in Dealerships

Ford customers are very diverse; they represent different backgrounds, cultures, perspectives, and needs. To better serve our diverse customer base and to ensure equal opportunity and inclusion, we remain committed to evolving our network by making dealer diversity a top priority.

In 2023, we added 23 new ethnic minority dealers in the U.S., and we have dedicated candidate identification coordinators to cultivate and maintain a robust pipeline. We also maintain strong relationships with minority dealer associations.

Our efforts also include offering Ford dealerships resources to support their own DEI efforts. We encourage Ford dealers to participate in the Ford Guest Experience Immersion. FGE includes learning opportunities to help dealers better connect with customers, build cultural competency, and to integrate diversity, equity, and inclusion concepts into their workplace.

As we move forward, Ford remains committed to operating in ways that best serve the diverse customers and communities where we live and work.

BUSINESS HIGHLIGHT

The Evolution of Work:

How Ford's Next-Gen EVs Help Create Jobs

Over a century ago, Ford revolutionized personal transportation with the Model T. To meet demand, we hired and trained scores of workers to fill new jobs in the burgeoning automotive industry. People came to Michigan in droves, seeking new skills and a better life.

Today, a similar transition is happening with electric vehicles. And like the Model T, we will rely on a highly skilled workforce to produce them. Which is why we are investing in our workforce and recruiting new hires with areas of expertise we haven't needed until now. The result has been the preservation of countless jobs — and the creation of many more.

Today, thousands of Ford employees assemble electric vehicles and EV components at plants across the U.S. and around the world. The Cologne Electric Vehicle Center in Germany will be Ford's first completely carbon-neutral production facility when it begins producing the all-electric Explorer in 2024. EVs and their components will also be assembled in Canada, Mexico, and China.

More jobs are coming soon, with construction underway at new facilities. BlueOval City in Stanton, Tennessee will be one of our most technologically-advanced manufacturing campuses to date. The Tennessee Electric Vehicle Center at BlueOval City will create thousands of jobs assembling Ford's next-generation electric truck, from bumper to batteries.

Many of these employees will work with the latest manufacturing technologies, and our workforce development efforts are focused on training for these roles. We collaborate with higher education institutions to provide training on advanced EV and battery manufacturing, and we also support K-12 schools and universities seeking to expand STEM-related curricula and infrastructure.

Ford's electric vehicles are creating high-quality jobs for thousands of people around the world. And just as the Model T offered workers a better quality of life, the EV revolution is offering exciting new career opportunities for today's workforce — and for generations yet to come.

Human Capital Management and Diversity, Equity, and Inclusion
— continued

ESRS S1-4

Supplier Diversity and Inclusion

Ford's commitment to engaging minority businesses dates back to 1968 when it initiated an inner-city supplier development program. This evolved into the official Minority Business Development Program in 1978, pioneering diversity in the U.S.

Today, Ford's Supplier Diversity and Inclusion initiative encompasses more than minority and women owned businesses and has expanded to U.S. small businesses, Veteran-owned businesses, enterprises led by individuals with disabilities, and LGBTQ+ entrepreneurs. The program also embraces global women-owned businesses and Canadian Indigenous-owned enterprises.

In addition to fostering diversity within its Tier 1 supply base, Ford advocates for diverse suppliers in its supply chain procurement with the Tier 2 WIN — Widening Inclusion Network initiatives. This expansion not only diversifies sourcing options but also bolsters supply chain resilience by promoting competition among vendors, driving improved service and pricing.

Furthermore, Ford has supported strategic alliances and joint ventures among diverse suppliers, enhancing their capabilities and fostering growth. These collaborations empower diverse businesses to enhance capacity, acquire new skills, and fortify the supply chain locally and regionally.

As an industry leader for over 40 years, Ford's Supplier Diversity and Inclusion program has consistently earned recognition as a benchmark by esteemed certifying organizations and advocacy partners in the U.S., underscoring our unwavering dedication to advancing diversity and inclusion in procurement.

Supplier Diversity and Inclusion 2023 recognitions include:

- WEConnect International, Top Corporations — Platinum Level
- Women's Business Enterprise National Council, Top 10 Global Champions in Supplier Diversity
- National Minority Supplier Development Council, Corporation of the Year
- Hispanic Association on Corporate Responsibility, Procurement/Supplier Diversity 5 Star Rating

Capital Markets Diversity and Inclusion
Growing and developing a diverse banking group is consistent with our commitment to supplier diversity and inclusion. To further support this effort, Ford partners with minority owned firms across several capital market areas. During the 2023 fiscal year, this included debt issuance underwriting, fixed income trading, cash deposits, and supporting Ford's corporate revolver. In addition, Ford offers opportunities to help minority-owned banks expand hiring, internship programs, and training opportunities. These offerings can further enable banks to broaden their capabilities and better serve the communities they support.

Employee Health and Safety

Aspirational Goals

Safety

Salient Human Rights Issues

Health/Safety

UN Sustainable Development Goals

The health and safety of our employees continues to be a top priority for Ford. Promoting health and safety is a collective effort, and everyone at Ford plays an essential role.

Many of our internal standards go beyond applicable laws and regulations to meet our commitment to protecting the safety of our workforce in all our locations.

Health and Safety Policies

ESRS S1-1

We have set the sustainability aspirational goal to work towards a future that is free from vehicle crashes and workplace injuries.

Our commitment to employee health and safety is stated in our corporate Code of Conduct and internal Workplace Health and Safety policy, We Are Committed to a Safe and Healthy Working Environment. Our We Are Committed to Protecting Human Rights and the Environment policy also states that Ford commits to providing a healthy and safe working environment.

According to our Code of Conduct, our operations and team members are expected to:

- Participate in all required safety training
- Understand and follow our policies, processes, and requirements
- Plan and test responses to potential emergency situations that may arise in our operations through business continuity planning
- Work together to develop health and safety objectives and adequate plans to continuously improve health and safety at our locations
- Speak up immediately if they see unsafe behavior or hazardous conditions

Safety Performance

ESRS S1-2, ESRS S1-14

Any loss of life or serious injury in the workplace is unacceptable and deeply regretted. Unfortunately, there was one employee fatality globally in 2023. Robust corrective actions have been implemented to prevent re-occurrence and reduce risk to our employees and contractors working on site. We continue to encourage accurate and detailed reporting of safety issues to reduce risk and improve workplace safety.

Our safety culture is based on our Health and Safety Commitment, “Our most valuable asset is our people. There can be no compromise.” It applies to all employees, contractors, and visitors performing work at our locations globally.

Safety performance is managed by Senior Leadership through Plant Operation Reviews, Manufacturing Safety Councils, and Safety Process Review Board meetings.

Unions representing production workers, skilled trades, and engineers play a crucial role in improving health and safety for our employees and workplaces. We are committed to supporting these unions and collective bargaining to ensure the health and safety of our union represented employees and locations.

Designated members of management interact with local, national, and global union representatives to foster the open communications and collaboration needed to work through contractual requirements. We partner with our labor unions globally in supporting our health and safety initiatives and continue to address issues as they arise together.

Safe Conditions at New and Existing Facilities

ESRS S1-4

We rely on robust standards and procedures, along with dedicated resources in our manufacturing engineering teams, to assure safe conditions and a safe workplace at every Ford facility. Our engineered systems are designed and installed to provide safe operations for our employees.

As we build new plants and update existing facilities, safety for high-risk construction contractors working on Ford projects continues to be a priority. In 2023, we held focus group and benchmarking discussions with our key construction prime contractors to share best practices associated with pre-apprentice trades and the abnormally higher injury rates within that group. The outcome of the sessions included better alignment on how those persons working in that space can be better protected, as well as updated language within our own construction safety standards.

Safety Operating System

ESRS S1-4

As stated in our Workplace Health and Safety policy, Ford is committed to fostering a safe and healthy working environment in each of our locations worldwide. The global Safety Operating System (SOS) allows for comprehensive self-assessments of our corporate safety standards in both our manufacturing and, beginning in 2024, non-manufacturing locations.

The SOS helps ensure the work environment within our facilities is safe for our employees and meets or exceeds all regulatory and company requirements.

This internal tool validates each facility’s capability and adherence to meet our safety requirements. The SOS is designed to prevent and reduce incidents by implementing different elements such as incident investigation and analysis, training, risk assessment, and emergency preparedness.

In 2023 we took another step in our journey to modernize our safety and ergonomic processes globally. A dashboard created by our Global Data Insight and Analytics (GDIA) team provides global, regional,

Employee Health and Safety
— continued

manufacturing director, and plant specific self-assessment results. This tool, which is integrated with the SOS, has simplified data review by allowing us to quickly identify issues by location, region, or globally to ensure allocation of resources. Our GDIA partners will continue to work with us and improve our SOS dashboard to ensure the necessary data is mined from the new application globally, regionally, locally, by question, etc.

Safe Observation Index

A leading indicator tool, the Safe Observation Index (SOI), allows for the evaluation of tasks and physical conditions in the workplace by team members. Corporate Safety collaborated with our IT partners and operations to develop the SOI mobile application, which allows our teams to be more efficient and enable real-time data entry with no redundant work.

The SOI mobile app will be launched globally in 2024 to all manufacturing and non-manufacturing facilities and will include the necessary translations by region for the question sets. It was a Key Performance Indicator (KPI) for the Americas in 2023 and will be a global KPI in 2024.

In addition, we are partnering with GDIA to extract the SOI data globally, regionally, and locally into a dashboard for quick and easy review of factors including SOI completion and areas of concern. This new feature will improve overall reporting and eliminate the current process of counting and maintaining Excel documents.

Reporting Tools

ESRS S1-4

We continue to utilize the Global Event Reporting Tool, which enables us to quickly notify locations of significant events which may affect their operations. Together with the Corrective Action Issuance process, it provides a forum for Ford to communicate significant incidents when they occur, and then proactively provide instruction and guidance to our facilities through Immediate and Permanent Corrective Actions. These corrective actions require facilities to make changes and improvements and implement controls to prevent recurrence of these significant incidents.

Safety Training

ESRS S1-4

Safety training plays an essential role in our efforts to achieve a future that is free from workplace injuries. Our safety training programs are best in class in the automotive industry. A safety training matrix lists all safety topics, the frequency for each training course, the personnel that are required to complete training, and who manages the training and training format.

We conducted regular communications and promotions on key safety issues to promote occupational health and safety. We also shared safety best practices via multi-industry groups, within and outside the automotive sector, and collaborated to address common issues.

Human-centered Design for Health, Safety, and Wellness

ESRS S1-4

Human-centered design can transform the auto industry's approach to manufacturing. By focusing on environmental stewardship and social equity, we can play a leading role. We aim to address the occupational demands specific to manufacturing and improve the working conditions and health of our essential workers through the following five priorities:

Health Equity
Everyone has a fair and just opportunity to be as healthy as possible.

Learning and Growth
Encourage exploration and development of soft skills and lifelong learning.

Engagement and Choice
Empower choice of how to work, rest, and play when possible and appropriate.

Culture and Understanding
Advocate work-life integration and understanding of individual differences.

Environmental Impact
Align our operations to our organizational values.

For example, the Corporate Ergonomics team completed several rounds of lab and production-based Hand-Arm Vibration testing of Electronic Pulse (E-Pulse) tools in response to a rapidly growing interest from production teams. E-Pulse tools can accurately reach nominal torques without generating the torque reaction forces (tool kick) of traditional DC tooling. However, when potentially hazardous hand-arm vibration exposures were identified during testing, the cross-functional team responded by creating data-driven guidelines for safe implementation before unstandardized deployments created unnecessary ergonomic risk to our operators.

Safety in Battery Manufacturing

ESRS S1-4

Safety is a top priority as we continue to produce EVs at new sites and existing locations. The Battery Electric Safety Core Team shares knowledge with engineering, product development and manufacturing locations. This team reviews training requirements, emergency response procedures, best practices, and internal and external incidents to better understand and prepare our workforce.

Our Medical and Industrial Hygiene and Toxicology teams support new processes globally and review new materials for manufacturing battery electric vehicles. This will help ensure that we anticipate, identify, analyze, and measure potential occupational exposures and monitor our employees as needed.

Prioritizing Safety at Ford Thailand Manufacturing

Ford has received global recognition for its safety efforts. Ford Thailand Manufacturing (FTM) and AutoAlliance Thailand (AAT) were honored at a national level for their outstanding commitment to prioritizing safety, occupational health, and workplace environment in their business model for 2023.

FTM and AAT earned the Excellent Award for Safety, Occupational Health, and Work Environment, demonstrating the dedication of FTM's employees and business partners to upholding high safety standards in the workplace.

Their collective efforts have led to exceptional operational performance and safety statistics, with no major accidents reported over the past decade. This was the tenth and seventh years respectively that FTM and AAT earned this honor.

Employee Health and Safety
— continued

We have updated safety measures at BlueOval City in Tennessee and Ion Park Michigan. Emergency Response Plans were updated to include the use of fire blankets for thermal runaway events associated with battery electric vehicles. In addition, we initiated a Process Safety Management program for chemicals used at the Kentucky and Tennessee battery manufacturing facilities and safe start-up at research activities at the Ford Ion Park facility.

Proactive Approach to Emergency Response
ESRS S1-4

Quick and strategic responses to emergency situations and natural disasters require comprehensive planning, which in turn requires testing and drills. With this in mind, we collaborated with multiple jurisdictions on an active assailant exercise at the Kentucky Truck Plant in June 2023.

In Dearborn, 20 Emergency Response Teams (ERT) from across the company met for a two-day competition in May 2023. ERT members are volunteers who are the first to respond to an emergency on-site at the plant. The team members undergo many hours of training and use their skills to assist in an emergency until first responders arrive.

Employee and Leadership Support
ESRS S1-4

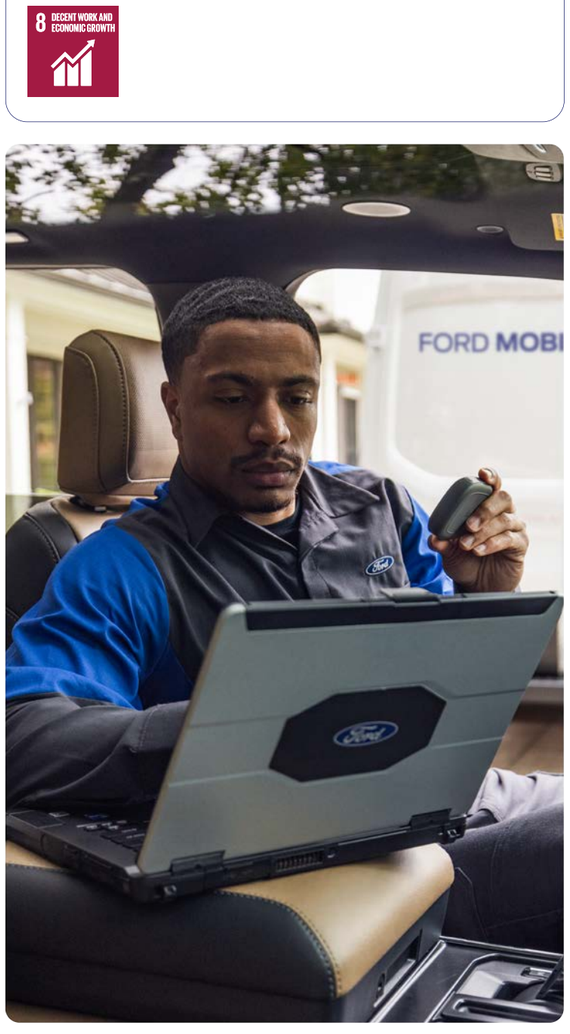
Our global, holistic approach to employee support and care encompasses the physical, mental, and financial wellbeing needs of our employees. Foundational to our employee care philosophy is providing a broad array of benefits and helping employees understand how to optimize those benefits to meet their individual needs and goals. We are committed to creating an environment where employees and People Leaders care for and support each other as we deliver Ford+.

Ford provides benefits to help employees optimize their personal wellbeing. Examples include:

- Ford partners with Lyra to provide U.S. salaried employees and their eligible family members with an enhanced mental health benefit. This includes expanded access to evidence-based therapy and coaching, as well as additional tools and resources. As a result, 88% of those who participated in therapy or coaching reported they improved or recovered.
- In partnership with the UAW, we continued the Campaign of Hope in our manufacturing plants, with the goal of reducing the stigma associated with seeking help for addiction and mental health. In addition, this campaign directed employees to the behavioral health benefits provided by the company.
- The Ford Global Mindfulness Club offers weekly mindfulness and meditation sessions in nine countries and six different languages, as well as an annual Mindfulness Week.
- Ford partners with meQuilibrium to provide U.S. salaried employees and their eligible family members with a personal resilience building and stress management program as part of their benefits.
- Ford partners with Edelman Financial Engines to provide U.S. employees (and retirees) with financial wellbeing benefits including financial counseling, comprehensive digital planning tools, expert led webinars, and more. In addition, Ford partners with Tuition.io to provide U.S. salaried active employees an educational financial wellbeing platform designed to help strategize and optimize student loan debt repayment.

Customer Experience and Responsible Marketing

UN Sustainable Development Goals



Every day, Ford employees and dealers listen to customers and dream, design, test, and manufacture vehicles and services to meet their needs. The goal is not to simply meet expectations, but to go above and beyond to deliver products and services that customers can't live without.

Policies Related to Customers

ESRS S4-1

Our commitment to customer engagement is written into our corporate Code of Conduct which states, "We seek to engage our customers in new and inclusive ways to get deeper knowledge of their wants and needs."

Engaging With Our Customers

ESRS S4-2

Ford provides multiple channels for customers to engage with the company directly. Customers engage with the company in our dealerships, on our websites and social media, at our contact centers, and inside our vehicles. We invite them to provide their sentiment on touchpoint satisfaction and their likelihood to advocate for the brand as they proceed along the customer experience journey.

Our internal customer experience measurement platform provides actionable insights to our dealers and touchpoint owners to drive enhanced experiences.

Managing Our Relationship with Customers

ESRS S4-4

We have increased our commitment to enhancing the ownership experience. Ford customers in the U.S. now can enjoy complimentary Pickup & Delivery as well as expanded mobile services from participating dealers. With Pickup & Delivery, the customer's preferred Ford dealer will come to their home or place of business, pick up their vehicle and return it when the repair has been completed. This adds convenience and choice to the service experience while minimizing downtime. For light repairs and routine maintenance, a Mobile Service van can be dispatched with a trained technician to perform service at an eligible location of the customer's choice.

The Mobile Service van fleet and mobile repair order business continues to grow at a rapid pace as we have added over 2,300 mobile service units in 2023 — a 278% increase over 2022. This was driven in part by strong growth in our mobile repair orders, which are up 280% for 2023. With over 3,100 launched Mobile Service units, Ford has the largest Mobile Service fleet in the U.S. Globally, the number of Ford Pro Mobile service vans deployed doubled between 2022 and 2023.

Our remote services continue to be popular with customers. We delivered over 2.0 million remote experiences in 2023, an increase of 335% over 2022. And customers are responding positively. The Net Promoter Score (NPS) on mobile service repair order outperforms overall service scores by over 12 percentage points. To help manage the increased demand, we expanded our Mobile Service program to include Escape SUVs, allowing customers at its smaller-volume dealers more convenient options for vehicle service.

Loyalty and Membership Rewards

Our FordPass Rewards loyalty program lets U.S. customers earn and redeem Points for things like service, accessories, Connected Services, and vehicle purchases. The FordPass Rewards member base in the U.S. continues to grow with 2 million+ new members in 2023, bringing the current member count to over 13 million. Program expansion has unlocked many new ways to earn and redeem Points throughout the Ford ecosystem, including at accessories.ford.com, for select Connected Services, SiriusXM subscriptions and at events such as the Bronco Off-Roadeo.

Raising Concerns via Global Contact Centers

ESRS S4-3

Approximately 3,000 agents in our Global Contact Center are dedicated to helping our customers and dealers with any questions or concerns related to Ford or Lincoln products and services. We offer a variety of ways to engage with the Global Contact Center, capturing all inbound and outbound contacts via phone, chat, SMS, Apple Business Chat, email, postal mail, and our website. In addition, we actively engage in selected social media forums and directly engage with customers who flag issues and concerns on key social media platforms.

Our focus on customer experience and product safety and quality is showing results. We use internal metrics to help monitor inquiries raised and how they are addressed or resolved. For example, cases which cannot be solved during the initial contact with the Global Contact Center and are open for more than 24 hours are classified as Concern Cases. The quality of resolution of these cases is known as the Concern Net Promoter Scores (NPS). In 2023, Concern NPS improved from +7 to +26. During the same time period, Customer Experience increased from 60% to 73% and Concern Resolution grew from 74% to 81%.

A Proactive Customer Support initiative in 2023 contributed to customer experience improvements. The Global Contact Centers proactively reached out to over 612,000 customers in 2023, representing over 10% of the total annual inbound contact volume. This is in contrast to 329,000 proactive contacts in 2022. We have also put more emphasis on customer self-help, more than doubling the monthly self-help interactions to over 4 million with a task success in 2023 of 61%, starting at 49% in January 2023 and ending the year at 71% task success in December 2023.

Customer Experience and Responsible Marketing
— continued

Customer Feedback and Process to Remediate Negative Impacts
ESRS S4-4

All Contact Centers in all regions (excluding China) have been moved to One CX, our new experience measurement platform. Covering all contact channels, and using globally consistent surveys, the new platform serves as the consolidated resource for customer feedback. Consistency in surveying and reporting contributed to the strong customer experience (CX) Metrics improvements in 2023 thanks to global best practice sharing.

The Global Contact Centers actively use survey feedback via a process called "closed loop." Team leads, supervisors, and managers analyze customer feedback, focusing on any customer rating below "excellent." They reopen cases if required, provide feedback to customers, and review improvement opportunities with agents.

To complement the CX Surveys, we are launching a new AI-driven Call Analytics tool which will provide key insights into the customer/agent interactions, helping to provide very specific customer feedback to Product Development and Quality. Not only will this tool deliver self-help and knowledge-base gaps for the team to address, but it will also provide deeper insight into agent behavior, driving agent training opportunities.

We are in the process of building a completely new case management system for our agents to capture all relevant customer, vehicle and service details, and notes related to a particular case. The new system, which we are piloting in Houston, TX, is called CX-Hub and integrates all systems an agent needs into one system. Consequently, the agent can access all the required information and systems to solve a customer problem within the CX-Hub. Not only does the system allow the agent to serve multiple contact channels at the same time, but the agent has the ability to switch the communications channel during an interaction with a customer. For example, a customer that has initiated contact via chat can be seamlessly moved to a phone conversation without the agent having to stop the interaction and open a new case. This omnichannel capability, coupled with a high degree of automation, will streamline the process and allow agents to focus on the customer.

Inflation Reduction Act

In 2023, all three of our electric vehicles, as well as our plug-in hybrids, were eligible for Inflation Reduction Act federal tax credits of up to $7,500. In order to qualify for the consumer incentive, among other requirements, the vehicle MSRP be at or below $80,000, and the purchaser must meet certain income limits. Every one of our EVs and plug-in hybrids was assembled in North America, meeting a requirement for the consumer tax incentive. Going forward, Ford will continue to maximize eligibility for federal tax credits for our customers.

Commercial customers of Ford E-Transit™, F-150® Lightning™ and other Ford commercial EVs — as well as Ford Pro Charging™ equipment — may qualify for IRA tax credits of up to $7,500 per electric vehicle purchased. Ford Pro is working to help give electric vehicle customers no-cost information to learn about IRA tax credits for which they may qualify.

We also anticipate that the EU Green Deal will have a positive impact for our customers and the green electrification of mobility in the covered regions. We expect European mandates for more EV charging infrastructure will support European customers in migrating to fully electric vehicles.

Dealer Engagement and Improvements

With over 8,000 Ford dealers around the world, we have the largest physical support network of any brand broadly distributed across North America and Europe. We are in the process of accelerating the transformation of our dealers into a competitive differentiator for the company's businesses across Ford Blue, Ford Model e, Ford Pro, and Lincoln. With that in mind, in 2023, we named Elena Ford as chief dealer engagement officer. Ford and dealers around the globe will collaborate to increase the consistency and efficiency of our global dealer council's governance, improve retail facilities, modernize training and development, become more diverse, further raise community engagement, and amplify best practices.

Starting in 2024, our dealers will begin to select an area of focus. Some will invest in EVs and become Model e dealers. Others will specialize with Ford Blue or Ford Pro. Some dealerships will go "all-in" across Ford Blue, Ford Pro, and Ford Model e.

In an effort to improve our buying experience, beginning in 2024, Model e customers will have flexible purchase options, both online and in the dealership, with transparent pricing that they don't have to haggle over, and remote vehicle delivery, as well as later pickup. These better experiences make customers more likely to build a relationship and choose the same dealer again. We want each of our Model e dealers to be a trusted partner for new EV customers who want to see and learn about these new great products.

Dealer Training

The Ford Guest Experience is an integrated approach to Dealer Training, Culture, Immersion, and Implementation that drives Guest Centric change. Since the US program launch in 2022, 1,200 Global Dealers have been to in-person Immersion events, with an additional 1,330 targeted in 2024. Additional FGE activities have also occurred in non-immersion form, making the Ford Guest Experience a flexible, yet integral foundation for a positive Guest Experience around the Globe.

The Ford Guest Experience is a way of doing business to ensure we meet and exceed dealer and guest needs both today and in the future. It's designed to address key drivers of sales and service satisfaction, and to build loyalty, trust, and amazing relationships with our guests. At its core, FGE is a dealer "mindset" shift from a transactional to a guest relationship. By treating guests like family and creating memorable experiences, guests are able to do business with dealers on their terms, throughout their entire ownership cycle.

Ford Guest Experience topics vary depending on the location of the training, but broadly focuses on the human elements of both Sales and Service: Respecting the guests' time and supporting the feeling that Ford "has their back" throughout the ownership experience. This is delivered by initiatives around the globe such as Mobile Service, Pick Up & Delivery, Connected Vehicle data, Diversity, Equity & Inclusion, Talent Management, Electrification, and more. The training helps exemplify the need to make experiences fit the unique needs of the guest so that they will never forget how our experience made them feel. It is Ford and the dealer's task to deliver "wow" moments at each interaction.

Dealers involved in the program are encouraged to use an action plan that outlines different commitments they want to make in their store to drive effective and long-term change. When they complete a task, they are encouraged to make another goal in order to continue their Guest growth process.

Reimagining the Customer Journey in Europe

We are taking customer experiences in Europe to new levels, integrating processes from discovery to servicing for seamless simplicity, starting with electric vehicles. In May 2023, we unveiled a new vision to make discovering, testing, buying, and owning Ford products not only simpler, but also more satisfying — starting with Ford electric vehicles.

Customer Experience and Responsible Marketing
— continued

In partnership with our retail partners across Europe, we are entirely reimagining the customer journey to EV ownership, with online access and touchpoints available every step of the way. The new approach introduces online showrooms and virtual test drives for exploring products and services. Transparent pricing means no surprises. And customers will be able to personalize their vehicle handover, access charging, and arrange pickup and delivery for servicing with a few clicks on their smartphone.

By making it easier for greater numbers of customers to go electric, our new customer experience will support our commitments to achieving carbon neutrality for our European operations, logistics, and direct suppliers by 2035, and building a more sustainable, inclusive, and equitable transportation future.

We are also tackling the single most frustrating factor for car-buyers according to the New Car Buyers Survey — uncertainty about when their new car will arrive. Clear communication, online visibility of the order status, and the ability to book delivery slots online will help customers plan ahead and put time back on their calendars.

The new Ford customer experience is designed to continue making life easier for owners even after purchase. Ongoing support includes access to one of Europe's largest charging networks, with more than 500,000 chargers, at-home charging solutions, as well as pick-up and delivery for servicing that can be scheduled online, with ultra-convenient fast-track options.

Responsible Marketing
S4 SBM-3

Representing the diversity and perspective of our customer base in our marketing materials is important to us.

We are committed to ensuring that our marketing, product offerings, and services meet the needs of our diverse current and future customers. We do not specifically target vulnerable consumers and users. Our marketing is aimed at those intending to purchase vehicles, with demographics and needs differing depending on which product and/or service we are advertising. While mass market advertising will reach a broad population group, ad placements are based on our target demographics and needs.

We make a conscious effort to work with a diverse group of creative professionals to develop and produce our content across multiple channels. In addition to engaging content creators from underrepresented groups, we strive to offer training and mentorship through the marketing process.

We follow industry standards for responsible marketing practices including customer privacy, email contact rules, etc., and always assure that all of our marketing work is routinely monitored and reviewed for legality and compliance. We strive to apply best practices in sustainability as we produce our marketing assets.

Socioeconomic Contribution and Community Engagement

UN Sustainable Development Goals

Communities where we live and work, and where we partner with businesses, schools, nonprofit service organizations, and government organizations are critical to our future.

The Ford Fund

ESRS S3-4

As the philanthropic arm of Ford, the mission of the Ford Motor Company Fund is to partner with communities to help move people forward and upward. We partner with communities where Ford has roots — spanning more than 40 countries around the globe — working on the ground with nonprofits to co-create and invest in solutions that meet unique community needs.

In 2023, Ford and Ford Fund invested more than $73.7 million in philanthropic contributions to help strengthen communities and build a better world. Since 1949, we have invested more than $2.3 billion in community-focused initiatives around the globe.

Our partnerships and programming are focused on the following areas:

- Essential Services: Expanding access to food, transportation, disaster relief, and other critical services that allow communities to thrive
- Education for the future of work: Building pathways to education for careers in mobility, technology, and the trades
- Entrepreneurship: Connecting aspiring entrepreneurs with capital, mentorship, and training to diversify the pipeline of new founders and expand opportunities for business ownership
- Mobility: Investing in solutions that use transportation and technology to connect people with the resources and opportunities they need to move forward

Across our work, we empower Ford employees to give back to the communities where they live and work. Employee volunteers help fuel our mission by bringing their unique skills and heart for service to volunteering with our community partners. In 2023, employees filled more than 7,000 volunteer opportunities and spent over 55,000 hours volunteering in community service projects throughout the year. During Global Caring Month in September, employees planned and participated in more than 100 volunteer projects in 31 countries, addressing issues they care about and making a difference in their local communities.

Charitable Contributions Made by Ford and Ford Fund

Total contributions	$73.7M
Total given to disaster relief	$1.8M
Volunteer hours in reporting year	>55,000

Expanding Access to Food

More than 34 million Americans, including 9 million children experience food insecurity in the U.S. today. During September's Hunger Action Month, Ford Fund announced partnerships with local food banks, DoorDash and Feeding America to help individuals and families facing hunger access the food they need through mobile delivery. By investing in mobility solutions, Ford Fund and its partners are helping bridge the gap between access to transportation and food.

Working with local food banks in Detroit, Louisville, Memphis, and West Tennessee, Ford Fund is broadening access to meals using home delivery in collaboration with DoorDash's Project DASH. Door Dash will deliver fresh food and produce from participating food banks to transportation-limited people and families.

Ford Fund also committed $1.25 million in grants to Feeding America food banks in Ford's home-base communities. The grants will enable food banks in upstate New York, Illinois, Ohio, Southeast Michigan,

Disaster Relief

As the rate of floods, tornadoes, hurricanes, and wildfires continues to increase, Ford and The Ford Fund, are expanding their partnership with Team Rubicon — a veteran-led humanitarian organization that operates in nearly every county in the United States. According to studies, 90% of U.S. counties experienced a federal climate disaster between 2011-2021.[46]

Team Rubicon Powered by Ford is a new $5.8 million disaster relief initiative that includes the donation of a fleet of 17 vehicles, a $2.5 million philanthropic investment and a commitment to deploying employee volunteers — all of which greatly expands Team Rubicon's ability to provide no-cost services to vulnerable communities in the wake of a disaster.

Through the expanded partnership, Ford volunteers joined Team Rubicon relief projects in Detroit, Houston, and Florida last year. And in August, after Hurricane Idalia damaged thousands of homes and businesses in Florida, Team Rubicon was on the ground for more than three months. During the deployment, a team of Ford employees joined Team Rubicon's "Greyshirt volunteers," supporting their efforts to remove debris, clear trees, and help residents get back on their feet.

Ford's disaster relief efforts extend far beyond the U.S. For example, when a devastating earthquake struck Turkey in March 2023, Ford Fund joined forces with Ford Otosan to mobilize hundreds of employee volunteers. Ford Fund also coordinated relief efforts that included vehicle donations, emergency search-and-rescue operations, financial contributions, and in-kind donations that provided critically needed supplies and essentials.

Socioeconomic Contribution and Community Engagement
— continued

Missouri, Kentucky, Tennessee, Texas, and South Florida to create and scale innovative mobility solutions that address food insecurities, such as access to fresh food in areas where it is otherwise unavailable.

Education and Workforce Development
Around the world, Ford Fund partnerships and programming expand access to scholarships, technical training, and career readiness programs that prepare the next generation of leaders for careers in automotive and tech.

In South America, the Ford Enter IT training and certification program is helping remove barriers to education while addressing the growing demand for IT professionals. The program launched in Brazil in 2022 and expanded to Argentina, Chile, Columbia, and Peru in 2023.

In the U.S., a new $1 million Ford Auto Tech Scholarship program backed by Ford Fund and Ford dealers is helping address the increasing demand for highly skilled automotive technicians across the industry and reducing barriers for students pursuing careers in automotive service and technology. The program is open to current and future students enrolled in post-secondary auto or auto and diesel technician training programs in the Greater Atlanta, Chicago, Dallas, and Phoenix areas. The program's focus on STEM skills fuels upward professional and economic mobility as the industry moves toward electrification.

In honor of Ford South Africa's centennial, Ford Fund is partnering with Ford South Africa to transform shipping containers into 100 math and science labs for primary schools across the country. In addition, 100 scholarships will be awarded to provide young adults from under-resourced communities with opportunities for STEM-related careers and apprenticeship programs within automotive and advanced manufacturing industries.

Bridging the Transportation Gap
Through a $5 million investment and partnerships with over a dozen nonprofit organizations, Ford Fund is helping bridge the gap between transportation-limited communities and access to resources and services including healthcare and fresh food. Some of our partners include United Way of Southeastern Michigan's "Ride United" program and Foenix — Mobility Rising, a nonprofit focused on removing transportation barriers in under-resourced communities. Our partnership with Vision to Learn provides vision screening and eye care for students in Northeast Ohio. While a partnership with Wayne Health provides pharmacy support through mobile prescriptions and refills for Detroit residents.

Building Community in BlueOval City
In response to meetings with nonprofit leaders and community organizations in the counties surrounding BlueOval City in Tennessee, Ford Fund launched a capital grants program in the fall of 2022 to help strengthen civic spaces and services in the region. Local municipalities and organizations were encouraged to apply and propose improvements based on their unique expertise and understanding of community needs.

After reviewing more than 200 applications, 17 organizations were selected to receive a total of nearly $1.2 million in 2023. Grantees were selected from all six counties surrounding the worksite and their proposals address a range of civic needs — from public safety, beautification, education, and workforce development to essential services such as fresh food delivery to underserved communities.

Creating Opportunities on a Global Scale
ESRS S3-4

Around the globe, Ford continues to make a difference in the communities where our employees and partners work and live. For example, 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 mechanic and mechatronics workforce in Thailand. Scholarship winners receive academic training in classroom as well as on-the-job training and knowledge sharing from manufacturing experts and Ford dealerships. Over the past six years, Ford has granted 118 scholarships with a total value of over THB 5,984,000.

FBS India actively promotes inclusion as a part of its core Corporate Social Responsibility (CSR) objectives and engages with diverse community groups through various initiatives. The Right Wheelchair Project provided nearly 120 people with disabilities with customized wheelchairs in 2023. And Project Mobility offered almost 500 prothesis to underserved people with spinal cord injuries. FBS India's Happy School project supported 280 intellectually disabled children and slow learners in six schools through a series of interventions that include creating individual education plans for the children, capacity building of parents and teachers, and deployment of special educators.

The Middle East team conducted CSR initiatives in 2023, ranging from celebrating Emirati Women's Day to socializing with the elderly and children with special needs and helping them in their daily routines, to hosting Henry Ford Entrepreneurship Academy sessions at Dubai Women's College. Our Middle East team has also contributed to buy and pack toys, books, and off-the-shelf medicines to children who are battling cancer at Children's Cancer Center-Lebanon.

Ford Vietnam launched a project to provide job opportunities for young woman in the highland regions and reduce early marriage in these areas. Specifically, the project's fashion teachers, students, and designers will teach young H'Mong women how to use traditional materials and local traditional crafts to create high-applicable and high-value products that can be introduced into practical life.

Ford New Zealand supported recovery efforts with funding and vehicle donations and loans when Cyclone Gabrielle struck New Zealand in 2023.

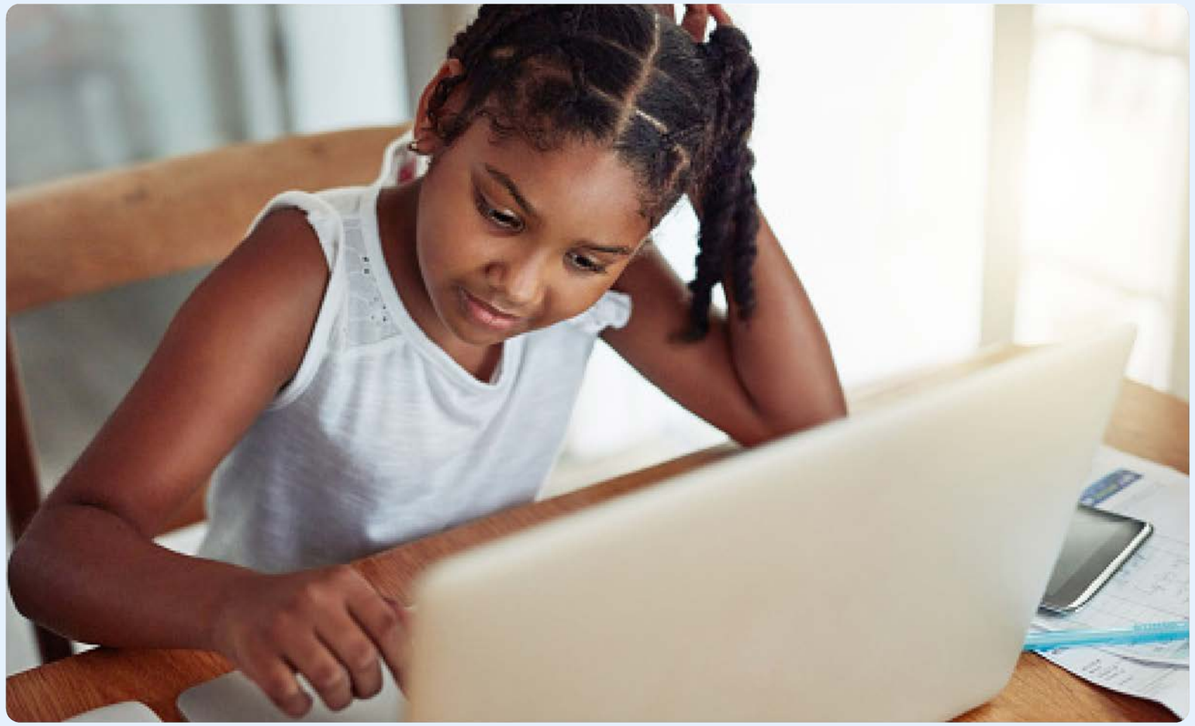
Ford South Korea continued its partnership with the Ford Fund to support conservation and environmental grants to local individual and groups that have an idea for protecting the environment.

Ford Philippines partnered with its Ford dealer network, Motolite Ramcar Battery and Philippine Business for Social Progress (PBSP) to advocate for the proper disposal and legitimate recycling of used lead acid batteries (ULABs). Motolite donates to PBSP an amount for every battery collected from each dealer group and the fund will be used for the rehabilitation of watersheds. The fund, which is augmented by a $25,000 grant from Ford Fund, will be used for the rehabilitation of the Marikina and Buhisan watersheds. Another $25,000 grant is in the pipeline to support the program in 2023-2024.

CASE STUDY

Tech for a Cause:

Computers for Kids Making a Difference



Feng Zhu, Oakville environmental control, helps coordinate the rush of employees as they fill boxes full of cables, printers, monitors, tablets, and old computers. They begin to separate the collections taken in the nearby parking lot of the Oakville Assembly plant in Windsor, Ontario, for Earth Day, for a charitable organization called "Computers for Kids." Their event lasted two days.

"The amount we got in those two days is remarkable, so many computers and laptops. It's great," said Zhu.

Computers For Kids, which began in 2004, is a registered charity serving Windsor and Essex Counties in Ontario and is associated with several Ford plants, including Oakville, Essex Engine Plant, and Windsor Engine Plant (Annex). Ford began working with the charity about 15 years ago.

Left: Laptops collected at Oakville Assembly Plant, 2023

The organization's mission is to recycle former e-waste used personally and in the plant, and turn it into workable computers and programs to serve underprivileged children in the communities where the plants preside. At the Essex Engine Plant and Windsor Engine Plant, stationary bins are at the plant's entrances all year.

"If it's cell phones or laptops or tablets, they see how current it is, and if it's current enough to warrant being issued or repaired, they have people right on site that do the repairs to them, and they make any repairs they need," said Chris Hodare, Ford environment and Unifor representative.

Ford partners with this charity because it further practices zero waste to landfill goals and champions a sustainability first mindset, while supporting the local community. Computers for Kids targets several issues: e-waste contains environmental contaminants such as lead, cadmium, beryllium, and brominated flame retardants. These are often thrown into landfills, where they seep into the groundwater. They also contain valuable materials, including copper, steel, plastics, and other minerals that can be recycled back to charity.

"With anything they can't make repairs to, they strip them down for the precious metals inside and then use that also to support the program," said Hodare. According to Computers for Kids, if a computer is not repairable, they still get 66% of their funding from precious metals that are recycled back into the project used to fund summer and after-school programs.

Local 200 retirees from any of the plants and high school students working towards their 40 hours of community service can volunteer at the charity too.

So far, the program has recycled over 2000 computers and provided more than 40 summer and after-school programs for children.

Socioeconomic Contribution and Community Engagement
— continued

Community Engagement Policies
S3 SBM-3, ESRS S3-1

Our human rights policy commitments extend to affected communities. We do not engage in unlawful eviction or taking of land, forests, and waters securing the livelihood of human beings. We strive to minimize negative impacts, on both human beings and the environment, while striving for positive impact. In support of this goal, we have instituted to a variety of initiatives to mimic ecosystem performance, eliminate waste, and divert waste from landfill to products, reduce fresh water usage, reduce single-use plastic, and support safe and accessible drinking water in our manufacturing operations and communities.

Read More

In Environment on p.44

Supporting worthy community institutions, programs, and endeavours is woven into the fabric of our culture. We take pride in our role as an active and valuable member of the communities in which we operate. Not only do we encourage our people to be involved in community initiatives and contribute to worthy charitable, educational, and civic causes, but Ford supports nonprofit organizations focused on education, community development, social services, safe/smart mobility, and civic/cultural initiatives. We follow the global approval process, as well as any local requirements set up by operations for contributions or other support provided by Ford.

Read More

In The Ford Fund on p.116

We integrate due diligence findings in our business planning and decision making, considering the environment, human rights, public health, indigenous populations, and the communities where we operate. We engage constructively with suppliers, local communities, governments, non-governmental organizations, and other stakeholders, including Indigenous Peoples.

We strive to prevent and mitigate human rights and environmental impacts. To accomplish these goals, we provide appropriate remedies if non-compliance occurs and bring any violation to an end.

We report suspected violations of our We Are Committed to Protecting Human Rights and the Environment policy. Ford takes reports seriously. Reporting inappropriate behavior helps us maintain a positive culture and compliance with the law and allows us to educate and counsel. Information on how to report grievances is presented in our Code of Conduct which is available on our corporate website. External stakeholders may report by emailing SpeakUp@ford.com. Violations of our We Are Committed to Protecting Human Rights and the Environment policy may lead to disciplinary action up to and including termination.

In addition, regular interactions with community stakeholders and elected officials in our manufacturing communities also provide opportunities to learn of any impacts. We review any impacts received through these channels with cross-functional experts to determine what mitigation steps are required.

Engaging with Communities
ESRS S3-2

In addition to the Ford Fund activities outlined earlier in this chapter, Ford is an active member of the communities in which we do business. We engage with the community through business organization memberships, regular interactions with government officials at all levels of government that represent the facility, as well as presence at community events and philanthropic endeavors.

Ford tracks community sentiment through various forms including: social media posts; surveys; listening sessions; media articles; and discussions with government and community leaders on what they are hearing.

Community members reach out to Ford through contact with our plant leadership as well as through our dealers and government officials. In addition, residents can contact Ford directly through our corporate website or through our on the ground representatives in the community.

When Ford has a change in its manufacturing footprint that may impact residents, it will host listening sessions and provide updates on our website.

Managing impacts in our communities
ESRS S3-3

There have been limited incidents in communities that Ford has remedied by working in partnership with government agencies and the community.

Ford has a 120+ year history of operating safely in communities across the world. There is no evidence that these communities are at a greater risk of harm. We meet or exceed all air emissions regulations for our manufacturing facilities and received an A score rating for water security from CDP.

If a material impact is identified, Ford works closely with the community and government officials and agencies to determine the appropriate remedy. The remedy usually consists of a combination of mitigating any negative impacts and compensating those affected through various channels.

We take resident concerns very seriously as Ford prides ourself on being a good neighbor as one of our company's core values. Ford will continue to listen and respond and work in good faith toward an acceptable outcome for all stakeholders involved.

Various processes are used to manage impacts depending on their scope and scale. If it is a perceived or potential negative impact, Ford will proactively engage with the community through resident town halls, listening sessions with government and community leaders, civic groups, educators, nonprofits, environmental groups, etc., depending on the potential issue. These sessions allow Ford to provide additional information to address any questions or concerns. In addition, obtaining community feedback on concerns allows Ford to assess what mitigation steps, if any, are needed.

Tracking our Performance
Our targets include improved community sentiment, ensuring community investment is made in all manufacturing locations and supporting ongoing engagement by hosting regular town halls and responding to resident concerns.

Governance

In this section:

Governance
Overview

Our corporate officers and Board of Directors are dedicated to serving the interests of our shareholders and creating long-term value. Guided by our purpose, history, and business strategy, our officers and directors provide expert oversight and guidance to ensure we are well-positioned to respond to the changing global business environment. Our culture of compliance and ethics is formalized in company policies, reinforced by leadership, and driven by our purpose to help to build a better world.

UN Sustainable Development Goals

We are contributing to the following UN Sustainable Development Goals through actions outlined in this chapter:

Governance Practice

Our corporate governance framework:

- Ensures our business manages risk and operates in a transparent and accountable way
- Enables us to monitor the changing global business environment to inform and adjust our strategies as needed
- Creates accountability for setting, tracking, and reporting progress against our goals, objectives, revenue, and sustainability targets
- Helps ensure we implement sustainability-related risk assessments, planning, strategy implementation, and performance reviews consistently across the organization

Data Protection, Privacy, and Security

- Data privacy, safety, and security play a key role as we develop innovative products and deliver stellar services

Supply Chain Management

- We are cultivating and maintaining ethical and mutually beneficial supplier relationships rooted in trust and transparency

Risk Factors

ESRS 2 SBM-3

Significant risk factors tied to our material sustainability topics and applicable to our business are outlined below. More information and detail on each of these risk factors can be found in our annual 10-K filing. Information on how we are addressing these risks can be found throughout this report.

Read More

In the Form 10-K

Operational Risks

Appealing and Secure Digital Services

Failure to develop and deploy secure digital services that appeal to customers could have a negative impact on Ford's business. A growing part of our business involves connectivity, digital and physical services, and integrated software services, and we are devoting significant resources to develop this business. If we fail to generate sufficient demand for our integrated software and digital services or if customers do not opt to activate the modems in our vehicles, which would hinder our ability to offer and sell such services, we may not grow revenue in line with the costs we are investing or achieve profitability on our increasingly digitally-connected products.

Read More

In Connected Vehicles and Digital Services on p.40

Climate Change

Ford's production, as well as Ford's suppliers' production, and/or the ability to deliver products to consumers could be disrupted by adverse effects of climate change. Given the worldwide scope of our supply chain and operations, we and our suppliers face a risk of disruption or operating inefficiencies that may increase costs due to the adverse physical effects of climate change, which are predicted to increase the frequency and severity of weather and other natural events, e.g., wildfires, extended droughts, and extreme temperatures. In addition, in the event a weather-related event limits the ability of freight carriers to deliver components and other materials from suppliers to us or logistics providers to transport our vehicles for an extended period of time, it may increase our costs and delay or otherwise impact both our production operations and customers' ability to receive our vehicles.

Ford is addressing its impact on climate change aligned with the United Nations Framework Convention on Climate Change (Paris Agreement) by working to reduce our carbon footprint over time across our vehicles, operations, and supply chain. We have announced interim emissions targets approved by the Science Based Targets initiative (SBTi) and made other statements about similar initiatives, e.g., our expected electric vehicle volumes in future years. Achievement of these initiatives will require significant investments and the implementation of new processes; however, there is no assurance that the desired outcomes will be achieved. To the extent we are unable to achieve these initiatives or our transition to electrification is slower than expected, it may harm our reputation or we may not otherwise receive the expected return on the investment.

Read More

In Climate Change on p.45

Raw Materials Access

To facilitate access to the raw materials and other components necessary for the production of electric vehicles, Ford has entered into and may, in the future, enter into multi-year commitments to raw material and other suppliers that subject Ford to risks associated with lower future demand for such items as well as costs that fluctuate and are difficult to accurately forecast. We have announced plans to significantly increase our electric vehicle production volumes; however, our ability to produce higher volumes of electric vehicles is dependent upon the availability of raw materials and other components necessary for the production of batteries, e.g., lithium, cobalt, nickel, graphite, and manganese, among others.

Read More

In Human Rights on p.88

Safety Recalls

Our vehicles could be affected by defects that result in recall campaigns, increased warranty costs, or delays in new model launches, and the time it takes to improve the quality of our vehicles and services could continue to have an adverse effect on our business. Government safety standards require manufacturers to remedy defects related to vehicle safety through safety recall campaigns, and a manufacturer is obligated to recall vehicles if it determines that the vehicles do not comply with a safety standard. We may also be obligated to remedy defects or potentially recall our vehicles due to defective components provided to us by our suppliers, arising from their quality issues or otherwise.

Read More

In Product Safety and Quality on p.99

Ford+ Execution

Our long-term competitiveness depends on the successful execution of Ford+, our plan for growth and value creation. Ford+ is focused on delivering distinctive and increasingly electric products plus "Always-On" customer relationships and user experiences. Our Ford+ plan is designed to leverage our foundational strengths to build new capabilities — enriching customer experiences and deepening loyalty. As we undertake this transformation of our business, we must integrate our strategic initiatives into a cohesive business model, and balance competing priorities, or we will not be successful. To facilitate this transformation, we are making substantial investments, recruiting new talent, and optimizing our business model, management system, and organization.

Read More

In Human Capital Management and DEI on p.104

Labor Issues

A work stoppage or other limitation on production could occur at Ford's facilities, at a facility in its supply chain, or at one of its logistics providers for any number of reasons, including as a result of labor issues, including shortages of available employees, disputes under existing collective bargaining agreements with labor unions or in connection with negotiation of new collective bargaining agreements, absenteeism, public health issues (e.g., COVID), stay-at-home orders, or in response to potential restructuring actions (e.g., plant closures).

Ford's ability to maintain a competitive cost structure could be affected by labor or other constraints. The vast majority of the hourly employees in our manufacturing operations in the United States and Canada are represented by unions and covered by collective bargaining agreements. These agreements provide guaranteed wage and benefit levels throughout the contract term and some degree of income security, subject to certain conditions. With the ratification of our new contracts with the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) in the United States and Unifor in Canada in 2023, we expect to have a significant increase in labor costs through the life of the contracts, and if we are unable to offset those costs, it could have a significant adverse effect on our business.

Further, these agreements may restrict our ability to close plants and divest businesses. Some of our competitors do not have such collective bargaining

Risk Factors
— continued

ESRS 2 SBM-3

agreements and are not subject to the same constraints. A substantial number of our employees in other regions are represented by unions or government councils, and legislation or custom promoting retention of manufacturing or other employment in the state, country, or region may constrain as a practical matter our ability to sell or close manufacturing or other facilities or increase the cost of doing so.

Read More

In Human Capital Management and DEI on p.104

Talent Retention

Ford's ability to attract, develop, grow, and reward talent is critical to its success and competitiveness. Our success depends on our ability to continue to attract, develop, grow, and reward talented and diverse employees with domain expertise in engineering, software, technology (including digital capabilities and connectivity), integrated services, supply chain, marketing, and finance, among other areas. While we have been successful in attracting talent in recent years, as with any company, the ability to continue to attract talent is important, particularly in growth areas vital to our success such as software, electrification, and integrated services. Competition for such talent is intense, which has led to an increase in compensation throughout a tight labor market, and, accordingly, may increase costs for companies.

In addition to attracting talent, we must also retain the talent needed to deliver our business objectives. While compensation considerations remain important, current and potential employees are increasingly placing a premium on various intangibles, such as working for companies with a clear purpose and strong brand reputation, flexible work arrangements, and other considerations, such as embracing sustainability and diversity, equity, and inclusion initiatives. If we are not perceived as an employer of choice, we may be unable to recruit the best talent. Further, if we lose existing employees with needed skills or we are unable to develop existing employees, particularly with the introduction of new technologies and our focus on operational efficiency and quality, it could have a substantial adverse effect on our business.

Read More

In Human Capital Management and DEI on p.104

Reliance on Suppliers

We are highly dependent on our suppliers to deliver components in accordance with Ford's production schedule and specifications, and a shortage of or inability to acquire key components or raw materials, such as lithium, cobalt, nickel, graphite, and manganese, can disrupt Ford's production of vehicles. Our products contain components that we source globally from suppliers who, in turn, source components from their suppliers. If there is a shortage of a key component in our supply chain or a supplier is unable to deliver a component to us in accordance with our specifications, because of a production issue, limited availability of materials, shipping problems, restrictions on transactions with certain countries or companies, or other reason, and the component cannot be easily sourced from a different supplier, or we are unable to obtain a component on a timely basis, the shortage may disrupt our operations or increase our costs of production.

Read More

In Supply Chain Management on p.125

Cybersecurity Risks

Operational information systems, security systems, vehicles, and services could be affected by cybersecurity incidents, ransomware attacks, and other disruptions and impact Ford and Ford Credit as well as our suppliers and dealers. We rely on information technology networks and information systems, including in-vehicle systems and mobile devices, some of which are managed by suppliers, to process, transmit, and store electronic information that is important to the operation of our business, our vehicles, and the services we offer. Despite devoting significant resources to our cybersecurity program, we are at risk for interruptions, outages, and compromises of: (i) operational information systems (including business, financial, accounting, product development, consumer receivables, data processing, or manufacturing processes); (ii) facility security systems; and/or (iii) in-vehicle systems or mobile devices, whether caused by a ransomware or other cybersecurity incident, security breach, or other reason (e.g., a natural disaster, fire, acts of terrorism or war, or an overburdened infrastructure system).

Read More

In Data Protection, Privacy, and Cyber Security on p.132

Macroeconomic, Market, and Strategic Risks

Market Acceptance

Ford's new and existing products and digital, software, and physical services are subject to market acceptance and face significant competition from existing and new entrants in the automotive and digital and software services industries, and its reputation may be harmed if it is unable to achieve the initiatives it has announced. Although we conduct extensive market research before launching new or refreshed vehicles and introducing new services, many factors both within and outside our control affect the success of new or existing products and services in the marketplace, and we may not be able to accurately predict or identify emerging trends or preferences or the success of new products or services in the market.

It takes years to design and develop a new vehicle or change an existing vehicle. Because customers' preferences may change quickly, our new and existing products may not generate sales in sufficient quantities and at costs low enough to be profitable and recoup investment costs. Offering vehicles and services that customers want and value can mitigate the risks of increasing price competition and declining demand, but products and services that are perceived to be less desirable (whether in terms of price, quality, styling, safety, overall value, fuel efficiency, or other attributes) can exacerbate these risks. For example, if we are unable to differentiate our products and services from those of our competitors, develop innovative new products and services, or sufficiently tailor our products and services to customers in other markets, there could be insufficient demand for our products and services, which could have an adverse impact on our financial condition or results of operations.

Read More

In Financial Highlights on p.9

In Products and Services on p.31

Geopolitics

With a global footprint and supply chain, Ford's results and operations could be adversely affected by economic or geopolitical developments, including protectionist trade policies such as tariffs, or other events. Because of the interconnectedness of the global economy, the challenges of a pandemic, a financial crisis, economic downturn or recession, natural disaster, war, geopolitical crises, or other significant events in one area of the world can have an immediate and material adverse impact on markets around the world.

Changes in international trade policy can also have a substantial adverse effect on our financial condition, results of operations, or our business in general. Steps taken by governments to apply or consider applying tariffs on automobiles, parts, and other products and

Risk Factors
— continued

ESRS 2 SBM-3

materials have the potential to disrupt existing supply chains, impose additional costs on our business, and could lead to other countries attempting to retaliate by imposing tariffs, which would make our products more expensive for customers, and, in turn, could make our products less competitive.

Read More

In Business Conduct: Government Regulations, Policy, and Engagement on p.131

Financial Risks

Government Incentives

The impact of government incentives on Ford's business could be significant, and Ford's receipt of government incentives could be subject to reduction, termination, or clawback. We receive economic benefits from national, state, and local governments in various regions of the world in the form of incentives designed to encourage manufacturers to establish, maintain, or increase investment, workforce, or production. These incentives may take various forms, including grants, loan subsidies, or tax abatements or credits. The impact of these incentives can be significant in a particular market during a reporting period. A decrease in, expiration without renewal of, or other cessation or clawback of government incentives for any of our operations, as a result of administrative decision or otherwise, could have a substantial adverse impact on our financial condition or results of operations.

Read More

In Business Conduct: Government Regulations, Policy, and Engagement on p.131

Pension and Other Post-retirement Plans

Economic and demographic experience for pension and OPEB plans (e.g., discount rates or investment returns) could be worse than Ford has assumed. The measurement of our obligations, costs, and liabilities associated with benefits pursuant to our pension and OPEB plans requires that we estimate the present value of projected future payments to all participants. We use many assumptions in calculating these estimates, including assumptions related to discount rates, investment returns on designated plan assets, and demographic experience (e.g., mortality and retirement rates). We generally remeasure these estimates at each year end and recognize any gains or losses associated with changes to our plan assets and liabilities in the year incurred. To the extent actual results are less favorable than our assumptions, we may recognize a remeasurement loss in our results, which could be substantial.

Read More

In Human Capital Management and DEI on p.104

Legal and Regulatory Risks

Litigation

Ford and Ford Credit could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, services, perceived environmental impacts, or otherwise. We spend substantial resources to comply with governmental safety regulations, mobile and stationary source emissions regulations, consumer and automotive financial regulations, and other standards, but we cannot ensure that employees or other individuals affiliated with us will not violate such laws or regulations.

Government investigations against Ford or Ford Credit could result in fines, penalties, orders, or other resolutions that could have an adverse impact on our financial condition, results of operations, or the operation of our business. Moreover, compliance with governmental standards does not necessarily prevent individual or class action lawsuits, which can entail significant cost and risk. In certain circumstances, courts may permit civil actions even where our vehicles, services, and financial products comply with federal and/or other applicable law.

Read More

In Product Safety and Quality on p.99

Product Modifications

Ford may need to substantially modify its product plans and facilities to comply with safety, emissions, fuel economy, autonomous driving technology, environmental, and other regulations. The automotive industry is subject to regulations worldwide that govern product characteristics and that differ by global region, country, and sometimes within national boundaries. Regulators have enacted and are proposing standards to address concerns regarding the environment (including concerns about global climate change and air quality), vehicle safety, and energy independence, and the regulatory landscape can change on short notice. These regulations vary, but generally require that over time motor vehicles and engines emit less air pollution, including greenhouse gas (GHG) emissions, oxides of nitrogen, hydrocarbons, carbon monoxide, and particulate matter, and there are associated increased reporting requirements.

Similarly, we are making substantial investments in our facilities and revising our processes to not only comply with applicable regulations but also to make our operations more efficient and sustainable. As our suppliers make similar investments, any higher costs may be passed on to us. In the United States, legal and policy debates on environmental regulations are continuing, with a primary trend toward reducing GHG emissions and increasing vehicle electrification.

Read More

In Climate Change on p.45

In Air, Water, and Soil Pollution on p.80

Data Protection

Ford and Ford Credit could be affected by the continued development of more stringent privacy, data use, data protection, and artificial intelligence laws and regulations as well as consumers' heightened expectations to safeguard their personal information. We are subject to laws, rules, guidelines from privacy and other regulators, and regulations in the United States and other countries (such as the European Union's and the U.K.'s General Data Protection Regulations and the California Consumer Privacy Act) relating to the collection, use, cross-border data transfer, and security of personal information of consumers, employees, or others, including laws that may require us to notify regulators and affected individuals of a data security incident. Existing and newly developed laws and regulations may contain broad definitions of personal information, are subject to change and uncertain interpretations by courts and regulators, and may be inconsistent from state to state or country to country.

Accordingly, complying with such laws and regulations may lead to a decline in consumer engagement or cause us to incur substantial costs to modify our operations or business practices. Moreover, regulatory actions seeking to impose significant financial penalties for non-compliance and/or legal actions (including pursuant to laws providing for private rights of action by consumers) could be brought against us in the event of a data compromise, misuse of consumer information, or perceived or actual non-compliance with data protection, privacy, or artificial intelligence requirements. The rapid evolution and increased adoption of artificial intelligence technologies may intensify these risks.

Read More

In Data Protection, Privacy, and Cyber Security on p.132

Supply Chain Management

UN Sustainable Development Goals

Our sourcing decisions align with our sustainability standards and corporate sustainability commitments.

Management of Relationships with Suppliers

ESRS G1-2

Ford values its relationships with suppliers. In 2024, we are launching a new supplier relationship model — Engage — with the goal of cultivating and maintaining mutually beneficial supplier relationships rooted in operational excellence, transparency, and trust that unlocks value for Ford and our suppliers. This includes working diligently to ensure we are ethically sourcing and tracking the value chains and the raw materials that move through them. The Supplier Scorecard, launched in 2023, serves as a tool to provide ongoing transparency and evaluation of supplier performance across compliance, quality, delivery, and cost metrics.

Payment Policy

ESRS G1-2

Ford's Global Terms & Conditions identify how we work with suppliers to initiate payments for goods and services. Ford's payment policy is outlined in both our Production and Indirect Payment Schedule Supplier Guides. Payments are processed automatically according to the Purchase Order payment terms and upon evidence of approved Purchase Order, invoice, and receipt of goods and/or service date and may be subject to audit.

Payment Terms

ESRS G1-6

Understanding terms of payment may be different for our diverse supply base. We negotiate various alternative methods for suppliers however, the standard method of payment for all supplier liabilities is by Electronic Funds Transfer. These methods are outlined in our Global Terms & Conditions and further explained in both our Production and Indirect Payment Schedule Supplier Guides.

Supply Chain Risk

Continuous monitoring of our supply base is essential to effectively and quickly respond to ongoing geographical and geopolitical risks and support our suppliers' contingency plans. The Supplier Performance and Risk dashboard, established in 2023, offers real-time visibility into our suppliers' financial health, quality, and delivery performance, enabling proactive management of value chain impacts. These tools and processes drive resiliency in our supply chain.

Supplier Compliance

In our sourcing strategy, supplier selection is contingent upon adherence to our Supplier Code of Conduct and sustainability goals encompassing social and environmental responsibility. Through collaborative efforts, we engage suppliers to ensure alignment with these goals. Utilizing the industry-standard Self-Assessment Questionnaire (SAQ), we assess suppliers' policies for compliance. Our sourcing decisions and ongoing performance evaluations are informed by these assessments, emphasizing the importance of suppliers' commitment to compliance throughout our sourcing process.

Read More

In Human Rights on p.88

Business Conduct

Transparency, Business Ethics, and Integrity

UN Sustainable Development Goals

Our rigorous approach to ethics, integrity, and transparency extends beyond compliance. It is the foundation of our commitment to build a more sustainable, inclusive, and equitable transportation future where every person is free to move and pursue their dreams.

We lead with our values, and they permeate through all levels of our company. We strive to act with transparency, integrity, and honesty. It's the foundation of the trust we build with our employees, our customers and suppliers, our shareholders, and our communities.

We are committed to complying with existing laws, regulations, and policies. By providing clear policies, effective communication, and engaging training, we give our employees the tools they need to do the right thing.

As we look ahead, we are committed to maintaining state-of-the-art corporate governance policies and practices and continuing to ensure they are reflective of current rules and regulations.

Upholding the Highest Levels of Integrity

ESRS 2 GOV-1, ESRS G1-3

By providing appropriate training and communications tools, our Compliance, Ethics, and Integrity Office ensures that our people are equipped to comply with legal obligations and policies that maintain the highest levels of integrity.

Regular and Open Communication

Clear and open communication is a fundamental component of our corporate governance framework. Ford outperforms our industry as we work to maintain open communication channels that include monthly reports on vehicle production, dealer inventory, and retail sales. This in comparison to the quarterly reporting others in our industry conduct.

We believe that it's important that we meet our customers where they are — and in many cases that's on social media. We use Ford Motor Company corporate accounts and Chief Executive Officer's social media accounts to share information on a regular basis.

Adhering to Our Code of Conduct

ESRS G1-1

Employee Code of Conduct

It's important that our employees understand what is expected of them when it comes to business ethics and integrity. Equally important is that our customers, suppliers, and other stakeholders understand our standards and hold us accountable to them. That's how we live up to our reputation as a global leader in corporate ethics and social responsibility.

Available in 12 languages, our Employee Code of Conduct covers important topics including human rights, the environment, privacy and lawful business practices — as well as information on how to report violations.

Supplier Code of Conduct

Thousands of companies around the globe are involved in building Ford vehicles. As the focus on human rights and climate change becomes sharper, it's important that we hold our suppliers to the same high standards we require of ourselves. In 2021, we launched our Supplier Code of Conduct to formalize the standards we'll work with our suppliers to achieve. Our Supplier Code of Conduct applies not only to the company's Tier 1 suppliers, but cascades through the supply chain to their suppliers as well. It is available in eight languages and is accessible on our corporate website to suppliers, our employees, and the general public.

Our Supplier Code of Conduct mandates that our suppliers maintain responsible business practices. Suppliers are required to protect and respect human rights, protect the environment, and responsibly source materials. The Supplier Code of Conduct also mandates that they conduct business free from bribery and corruption, maintain effective privacy and cyber-security practices and comply with applicable trade and customs rules.

Read More

In Human Rights on p.88

Anti-Bribery and Anti-Corruption

We maintain the highest ethical standards wherever we operate. With operations around the world, it's important that our facilities comply with a wide range of national laws and governmental enforcement practices with regard to bribery and corruption, regardless of where they are located. Bribery and corruption are forbidden, even in locations where they may be tolerated or condoned.

Compliance Training

ESRS G1-3

Our robust and comprehensive compliance training supports our high standards of ethical conduct. Mandatory online training courses for all Ford salaried full-time, part-time, and agency workers, including an annual Code of Conduct course, ensure our policies are understood and reinforce their importance. We periodically refresh and review the courses to keep the content relevant and appropriate.

Reporting Violations

ESRS G1-3

Our 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 directly to Human Resources or the Compliance, Ethics, and Integrity Office as well as the Office of the General Counsel. Violations can also be reported using the SpeakUp reporting website, telephone hotlines, or email, some of which allow for anonymous reporting. External stakeholders may report by going to www.speakup.ford.com. A cross-functional committee reviews allegations and oversees any investigations and subsequent corrective or disciplinary actions.

For human rights and environmental issues involving suppliers, Ford has an external site to report supplier grievances. The external site is available in five different languages and provides suppliers an opportunity to report feedback. Employees of our suppliers can also provide feedback and file grievances directly via the Responsible Business Alliance (RBA) Worker Voice app.

Read More

About grievance mechanisms and remedy in Human Capital Management and Diversity, Equity, and Inclusion on p.106

About our Worker Voice app in Human Rights on p.91

Business Conduct

Accountable and Inclusive Governance

Solid principles of accountable and inclusive corporate governance are key to maintaining the trust of our investors, our customers, and our people.

Accountable and Inclusive Governance

Along with the people of Ford around the world, our leadership is committed to serving all of our stakeholder groups. Like generations of leaders before them, they understand that by helping to create a world with fewer obstacles and limits, we help people to move forward and upward.

Our long history of operating under sound corporate governance practices is a critical element as we aim to be trusted by all who rely on us to help build a better world. The processes and systems in place serve as a framework as we manage our business, drive performance, create value — and deliver on our sustainability strategy.

Board of Directors Composition

ESRS 2 GOV-1

Diversity of skills, experience, and demographic background strengthen our competitive advantage and reflect our employees and the customers we serve. Collectively, our Board possesses a broad set of skills and experience that is relevant to our business, long-term strategy, risks, and global activities. The skill sets include manufacturing, marketing, CEO leadership, international experience, government experience, risk management, finance, and technology.

In addition, all of our Board members have backgrounds in sustainability and related matters. Their experience with environmental and climate change, talent and culture, and social responsibility initiatives enables us to address key shareholder concerns regarding sustainability and corporate responsibility. The Board's gender diversity is comparable to our overall company.

Of our 14 Board members, four are women, one is Black/African American, and one is Hispanic/Latino(a). Our Board includes 2 executive and 12 non-executive members. Nine of our directors are independent, and our Audit Committee, Compensation, Talent and Culture Committee, and Nominating and Governance Committee are fully independent.

For additional information on the unique qualifications and demographic backgrounds of our Board members, refer to the Director Skills and Diversity Matrix and director biographies included in our most recent Proxy Statement.

Demographics

Board of Directors	
Men	71.4%
Women	28.6%
Underrepresented minorities	14.3%
Corporate Officers	
Men	78.0%
Women	22.0%
Underrepresented minorities	17.1%
Global salaried employees	
Men	71.9%
Women	28.0%

Governance Principles and Practices

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

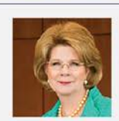
Board of Directors Composition

Board Committees

A	C	F	N	S
Audit Committee	Compensation, Talent and Culture Committee	Finance Committee	Nominating and Governance Committee	Sustainability, Innovation and Policy Committee

Board Members

● = Chair

 Kimberly A. Casiano (A) (N) (S)	 William W. Helman IV (F) (N) (S●)	 Lynn Vojvodich Radakovich (C●) (N) (S)
 Alexandra Ford English (F) (S)	 Jon M. Huntsman, Jr. (S)	 John L. Thornton (C) (F) (N)
 James D. Farley, Jr.	 William E. Kennard (F) (N●) (S)	 John B. Veihmeyer (A●) (N)
 Henry Ford III (F) (S)	 John C. May (C) (N) (F)	 John S. Weinberg (C) (F) (N) (S)
 William Clay Ford, Jr. (F●) (S)	 Beth E. Mooney (A) (N)	

Business Conduct — Accountable and Inclusive Governance
— continued

Corporate Governance Principles
The Board has adopted a set of corporate governance principles, which may be found at our corporate website. These principles include: a limitation on the number of boards on which a director may serve, qualifications for directors (including a requirement that directors be prepared to resign from the Board in the event of any significant change in their personal circumstances that could affect the discharge of their responsibilities), director orientation and continuing education, and a requirement that the Board and each of its committees perform an annual self-evaluation.

Our corporate governance principles, along with the charters of the Audit Committee; the Compensation, Talent and Culture Committee; the Sustainability, Innovation and Policy Committee; the Finance Committee; and the Nominating and Governance Committee, provide the framework for the governance of Ford Motor Company.

Sound corporate governance practices and trust go hand in hand. Ford's adoption of the following practices has played a critical role as we strive to be trusted by all who rely on us to help build a better world:

- Annual Election of all Directors.
- Majority Vote Standard. Each director must be elected by a majority of votes cast.
- Independent Board. 64% of the directors are independent.
- Lead Independent Director. Ensures management is adequately addressing the matters identified by the Board.
- Independent Board Committees. Each of the Audit Committee, Compensation, Talent and Culture Committee, and Nominating and Governance Committee is comprised entirely of independent directors.
- Committee Charters. Each standing committee operates under a written charter that has been approved by the Board and is reviewed annually.
- Independent Directors Meet Regularly Without Management and Non-Independent Directors.
- Regular Board and Committee Self-Evaluation Process. The Board and each committee evaluates its performance each year.
- Mandatory Retirement Age and Term Limits. Fifteen-year term limits for new independent directors and mandatory retirement age of 72 provide regular opportunities for Board refreshment.
- Mandatory Deferral of Compensation for Directors. In 2023, approximately 68% of annual director fees were mandatorily deferred into Restricted Stock Units, which strongly links the interests of the Board with those of shareholders.
- Separate Chair of the Board and CEO. The Board of Directors has chosen to separate the roles of CEO and Chair of the Board of Directors.
- Confidential Voting at Annual Meeting.
- Special Meetings. Shareholders have the right to call a special meeting.
- Shareholders May Take Action by Written Consent.
- Strong Codes of Ethics. Ford is committed to operating its business with the highest level of integrity and has adopted codes of ethics that apply to all directors and senior financial personnel, and a Code of Conduct that applies to all employees.
- Hedging and Pledging Policies. Officers are prohibited from hedging their exposure to, and limited in pledging, Ford common stock.
- Overboarding. We limit the number of outside public company boards on which our directors and officers may serve.

Board Role and Responsibilities
ESRS 2 GOV-1

The Board continuously reviews the Company's governance practices, assesses the regulatory and legislative environment, and adopts the governance practices that best serve the interests of our shareholders.

The Board is elected by and responsible to Ford's shareholders. Ford's business is conducted by its employees, managers, and officers, under the direction of the Chief Executive Officer (CEO) and oversight of the Board, to enhance the long-term value of the Company for its shareholders.

The Board of Directors has chosen to separate the roles of CEO and Chair of the Board of Directors, which allows the CEO to focus on leading the organization to deliver product excellence, while the Chair leads the Board in its pursuit to provide the Company with direction on Company-wide issues such as sustainability, mobility, and stakeholder relationships.

The Board of Directors monitors the performance of the CEO and other members of senior management to ensure that the long-term interests of the shareholders are being served.

Director Remuneration
ESRS 2 GOV-3

Effective as of January 1, 2017, the Board of Directors agreed that the following compensation will be paid to non-employee directors of the Company:

- Annual Board membership fee: $315,000
- Annual Lead Independent Director fee: $50,000
- Annual Audit Committee chair fee: $30,000
- Annual Compensation, Talent and Culture Committee chair fee: $25,000
- Annual other committee chair fees: $20,000

Approximately 68% of the Annual Board membership fee is paid in Restricted Stock Units (RSUs), and certain directors choose to receive all or a portion of their fees, in addition to the mandatory portion, in RSUs.

Directors who are also Company employees are not separately compensated for their service on the Board.

Sustainability Governance
ESRS 2 GOV-1, ESRS 2 GOV-2

We employ a variety of governance systems and processes to manage different aspects of sustainability across our business, as summarized throughout this report.

The Sustainability, Innovation and Policy Committee reviews and advises on the Company's pursuit of innovative policies and technologies that promote product safety, improve environmental, and social sustainability, and seek to enrich our customers' experiences, increase shareholder value, and lead to a better world.

The Committee is responsible for assessing the Company's progress on strategic economic, product safety, environmental, and social issues, as well as the degree to which sustainability principles have been integrated into various skill teams. The Committee reviews the Company's Integrated Sustainability and Financial Report summary as well as any Company initiatives related to sustainability and innovation. It assesses annually the adequacy of the Sustainability, Innovation and Policy Committee Charter, and reports to the Board of Directors about these matters.

Business Conduct — Accountable and Inclusive Governance
— continued

The Compensation, Talent and Culture Committee reviews and discusses key people-related business strategies, including leadership succession planning, culture, diversity and inclusion, and talent development programs.

Risk Management and Internal Controls

ESRS 2 GOV-5

The oversight responsibility of the Board 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. These include:

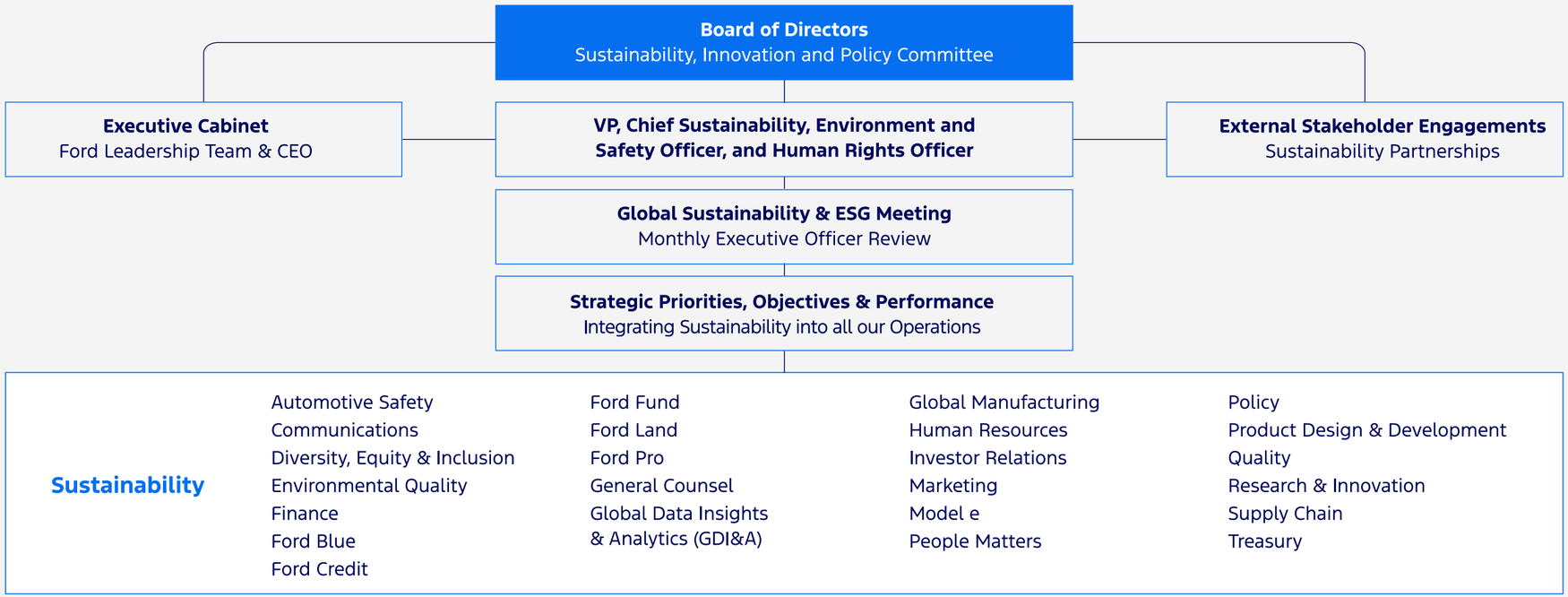
- Compliance Risk encompasses matters such as legal and regulatory compliance (for example, Foreign Corrupt Practices Act, environmental, Occupational Safety and Health Administration/safety, etc.).
- Reporting Risk covers Sarbanes-Oxley compliance, disclosure controls and procedures, and accounting compliance.
- Operating Risk addresses the myriad of matters related to the operation of a complex company such as Ford (for example, quality, supply chain, sales and service, financing and liquidity, product development and engineering, labor, etc.).
- Strategic Risk encompasses somewhat broader and longer-term matters, including, but not limited to, technology development, environmental and social sustainability, capital allocation, management development, retention and compensation, competitive developments, and geopolitical developments.

We believe that key success factors in risk management at Ford include a strong risk analysis tone set by the Board and senior management, which is shown through their commitment to effective top-down and bottom-up communication (including communication between management and the Board and committees), and active cross-functional participation among the Business Segments and Skill Teams.

We have institutionalized a regular Forecast, Controls and Risk Review, and Special Attention Review process where the senior leadership of the Company reviews the status of the business, the risks, and opportunities presented to the business (in the areas of compliance, reporting, operating, and strategic risks), and develops specific plans to address those risks and opportunities.

The Enterprise Risk Management process adopted by the Company identifies the top critical enterprise risks through engagement with senior management and the Board of Directors. Once identified, each of the top risks is validated and assigned an executive risk owner who is responsible for overseeing risk assessment, developing mitigation plans, and providing regular updates.
The Enterprise Risk Management process also engages Business Segments and Skill Teams to determine which of the enterprise risks are most relevant to their specific objectives and identify any additional risks that can be managed at a lower level in the organization.

Sustainability Governance



Business Conduct — Accountable and Inclusive Governance
— continued

All identified Enterprise Critical Risks are evaluated for their exposure to related geopolitical risk and climate change impacts. The Audit Committee and Board annually review the process to update the list of critical risks and monitor risk movement and emerging trends, and the Enterprise Risk Management team also benchmarks the annual risk assessment with outside sources to ensure the Company's assessment is up to date with external risk developments.

The full Board of Directors has overall responsibility for the oversight of risk management at Ford and oversees operating risk management with reviews at each of its regular Board meetings. The Board, the Sustainability, Innovation and Policy Committee, the Compensation, Talent and Culture Committee, the Finance Committee, and the Audit Committee all play a role in overseeing operating and strategic risk management.

The Audit Committee assists the Board of Directors in overseeing compliance and reporting risk, cybersecurity risk, and the Enterprise Risk Management process itself. The Audit Committee receives regular updates on cybersecurity practices, as well as cybersecurity and information technology risks from the Chief Information Security Officer.

The Sustainability, Innovation and Policy Committee assists the Board of Directors in overseeing environmental and social sustainability risks. The Compensation, Talent and Culture Committee assists the Board of Directors in overseeing risks related to compensation and people-related business strategies, including leadership succession and culture, diversity, and inclusion.

The Board and the appropriate committees also periodically review other policies related to personnel matters, including those related to sexual harassment and anti-retaliation policies related to whistleblowers.

The specific responsibilities of each committee are set forth in their charters, which are available on our corporate website.

Management Processes

Board Committees	**Sustainability, Innovation and Policy Committee** • Meets at least three times a year • Primary responsibility for assessing the Company's progress on strategic economic, product safety, and environmental and social issues, as well as the degree to which sustainability principles have been integrated into the various skill teams • Reviews and advises on the Company's pursuit of innovative policies and technologies that promote product safety, improve environmental and social sustainability, and seek to enrich our customers' experiences, increase shareholder value, and lead to a better world • Reviews the Integrated Sustainability and Financial Report Summary as well as any Company initiatives related to sustainability and innovation Read the Charter of the Sustainability, Innovation and Policy Committee **Other Board committees:** Audit; Compensation, Talent and Culture; Nominating and Governance; and Finance
Executive Management	**Vice President, Chief Sustainability, Environment and Safety Officer** • Primary responsibility for sustainability issues • Oversees the Sustainability and Vehicle Environmental Matters group, the Environmental Quality Office, the Vehicle Homologation and Compliance group, and the Automotive Safety Office • Leads a multi-disciplinary executive-level team that oversees actions in response to our sustainability strategies and integration and issues related to our We Are Committed to Protecting Human Rights and the Environment policy • Human Rights Policy Officer **Other executive and group vice presidents** across our functional areas also have responsibility for sustainability-related issues. These include our Chief People and Employee Experience Officer and our Chief Diversity Officer
Function Areas	**Sustainability and Vehicle Environmental Matters** • Coordinates our Company-wide sustainability strategy and activities • Leads our sustainability reporting and stakeholder engagement • Collaborates with other functional areas and skill teams to integrate sustainability throughout the Company

Oversight of Risk Management

	Compliance and Reporting	Operating and Strategic
Ford Board Oversight	Audit Committee	Sustainability, Innovation and Policy Committee Compensation, Talent and Culture Committee Finance Committee Audit Committee
Ford Management Day to Day	Compliance Reviews Sarbanes-Oxley Compliance Internal Controls Disclosure Committee	Business Segments and Skill Teams Forecast, Controls, and Risk Review Special Attention Review Industrial Platform/Software, Product and Services, Strategy, Business Ops Review, and People Forums

Business Conduct

Government Regulations, Policy, and Engagement

As a purpose-driven company, it's imperative that our advocacy is aligned with our values. Engagement with governmental officials and agencies plays a key role in shaping the regulations and legislation that govern our business now and into the future.

We are committed to transparency about the principles that govern our participation in the political process.

Ford participates 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 engage with the United States Congress and the White House, as well as international governments, on a wide range of policy issues, including but not limited to: safety, emissions standards, vehicle electrification and charging initiatives, autonomous and connected vehicle technologies, data access, taxes, trade, manufacturing, transportation, and labor. We advocate for consistent policies at all levels to help us achieve our business, environmental, and employment objectives.

We encourage all employees to become engaged in their communities and participate in the political process as private individuals. We respect the right of each employee to use personal time as they choose and to decide the extent and direction of their political activities.

It's important that our management team keeps informed on governmental matters affecting Ford's interests. Where appropriate, they are expected to help formulate and present company positions on relevant public issues. They also are expected to contribute to fulfilling Ford's responsibilities as a corporate citizen, including participation in constructive governmental activities on behalf of the company.

Political Spending Process

ESRS G1-5

Ford does not contribute corporate funds directly to political candidates, campaigns, or political organizations in the U.S.; nor does the company employ its resources to help elect candidates to public office, even when permitted by law. Ford does not take a position for partisan political purposes, that is, specifically for the purpose of advancing the interest of a political party or candidate for public office. However, with the approval of the Office of the Chief Executive, contributions may be made to support or oppose a state or local ballot proposal if the issue is of significant interest or importance to Ford provided that such contributions are permitted by law.

Ford's Chief Government Affairs Officer has final authority over contributions to Section 527 and 501(c)(4) organizations, 501(c)(6) association memberships, and other political spending permitted by company policy. Support for ballot initiative spending requires approval of the Chief Executive Officer. The employee-led Political Contributions Committee of Ford's political action committee (Ford PAC) oversees PAC spending.

The Nominating and Governance Committee of Ford's Board of Directors has responsibility for evaluating, monitoring, and making recommendations to the full Board with respect to all corporate governance policies and procedures, including governance of political engagement. The Committee annually reviews contributions and membership decisions made by the Company in the following areas:

- Local, state, federal, and international memberships representing affiliations with key coalitions and industry associations supporting the Company's policy agenda.
- Corporate contributions to philanthropic and policy-related organizations supported by the Company.

Lobbying Activities

ESRS G1-5

Our advocacy efforts are guided by our Chief Policy Officer. In the United States, we submit all lobbying reports as required by the U.S. House of Representatives and the U.S. Senate. These reports are publicly available. All PAC donations are documented through SEC regulations. Our day-to-day Government Affairs activities are not reported. However, we consistently meet with elected officials on the federal, state, and local levels and participate in trade organizations.

Trade Associations and Memberships Focusing on U.S. Policy Issues

To advance our voice on key issues, we collaborate with a broad range of coalitions, industry groups, and trade associations. We work with our partners to develop and promote sensible policies that benefit our company, our industry, and society. These organizations often bring diverse viewpoints to the debate, and sometimes their views are not shared by Ford. When necessary, we have exercised our right to make our own position clear and at times have taken an alternative path.

Climate Change

Avoiding the worst consequences of climate change requires collaboration with multiple partners and organizations in the public and private sectors to drive timely progress. We are working together to address challenges including barriers to electric vehicle adoption, government regulations, economic factors, and the availability of carbon-free electricity and renewable fuels.

Through active participation, we can encourage groups to shift towards our progressive climate change strategy, shape policy, and drive the industry to change.

Trade Associations and Memberships

Ford supports a broad range of trade associations and coalitions to enhance our understanding of, and advocacy for, U.S. policy issues. These include:

- 5G Automotive Association
- American Automotive Policy Council
- Alliance for Automotive Innovation
- Autonomous Vehicle Industry Association
- Center for Climate and Energy Solutions' Business Environmental Leadership Council
- Climate Leadership Council
- Electric Drive Transportation Association
- National Association of Manufacturers
- U.S. Chamber of Commerce

Ford conducts internal reviews of associations' lobbying positions, noting any discrepancies with our positions, and our actions in response. The results of these reviews are shared with management. If an association's position does not align with our criteria, we respond appropriately, at times advocating for our position independently.

Policy Framework

Our Policy framework was created to advance Ford's business objectives while vindicating the company's values. The framework leverages the entire policy team, comprised of Environmental and Safety Compliance, Government Affairs, the Office of General Counsel, Privacy, and Security.

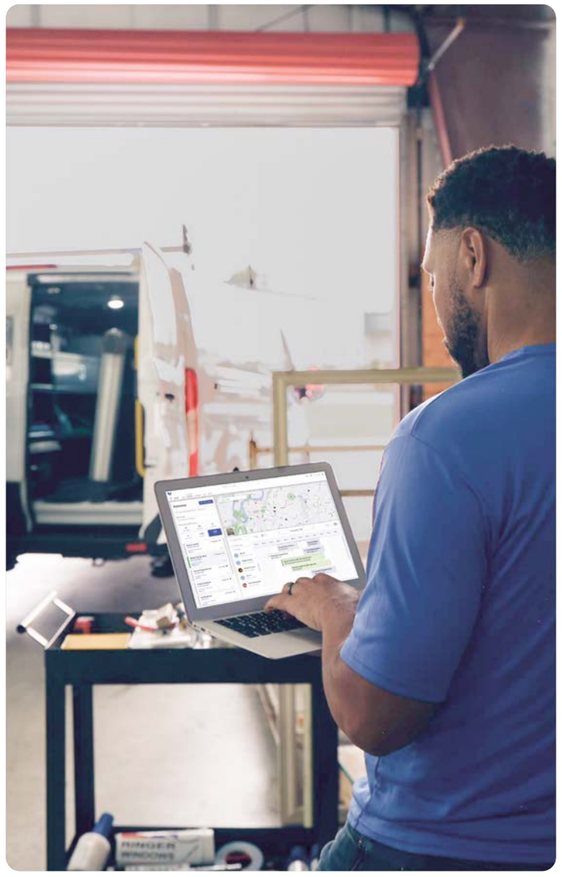
This structure empowers the teams to function as one, contributing the expertise of their respective professional disciplines, unified throughout the policy organization. Ford's ambitious Ford Policy Agenda, which sets forth detailed policy missions to defend and advance Ford Motor Company's interests, reflects this integration.

Read More

In the 2023 U.S. Political Engagement Report

Data Protection, Privacy, and Cyber Security

UN Sustainable Development Goals



We take our customers' trust in Ford seriously as we work to deliver innovative products and a stellar experience. Our commitment to innovation extends beyond products and services to include data protection, privacy, and cybersecurity.

Data Privacy and Protection Policies

We have policies and procedures to address data management and to protect the privacy of our employees and customers.

Data privacy is a key component of our software-driven businesses. Data privacy, which focuses on personal information and how it is collected, stored, used, managed, and shared continues to be important to our customers, our employees, and our business.

Strengthening Our Global Data Privacy and Protection Initiatives

ESRS S4-4

We continue to adhere to the Automotive Consumer Privacy Protection Principles developed by the Alliance for Automotive Innovation.

We are a founding member of the Information Sharing and Analysis Center, which gathers, analyzes, and shares information to combat cyber-related threats and weaknesses. We are also a founding member of the Board of the Automotive Information Sharing and Analysis Center. Our current seat on that board ensures that we preserve relationships that help to protect ourselves against both enterprise and in-vehicle security risks.

Cyber Threats

ESRS S4-4

The scope and severity of risks presented by cyber threats continue to evolve. We take cyber threats very seriously. While no organization can eliminate cybersecurity risk entirely, we devote significant resources to our security program. We employ a multi-layered cybersecurity risk management program that is designed to protect our information systems and assets and protect against, and mitigate, the effects of, cybersecurity incidents.

Our cybersecurity risk management program is supervised by our Chief Information Security Officer who provides regular updates to the Audit Committee. As part of its oversight responsibilities, the Audit Committee receives updates related to cybersecurity practices, cyber risks, and risk management processes.

Read More

About our data privacy practices on our website

Reporting Scope, Boundaries, and Data Assurance

Reporting Scope and Boundaries

Consistent with GRI guidance on boundary setting, the data in this report covers all of Ford Motor Company's wholly and majority-owned operations globally, unless otherwise noted, and spans 2023 operations and vehicles. Boundaries for each material issue are noted in our GRI Content Index.

The CSRD requires disclosures against the European Sustainability Reporting Standards (ESRS). Throughout the report you will see ESRS tags on some chapters or sections, indicating which disclosures we are addressing in that section. We are voluntarily phasing in these disclosures in the 2024 report, not all ESRS required disclosures are included at this time. We are working towards full CSRD reporting compliance in our 2025 Integrated Sustainability and Financial Report.

Where relevant, data measurement techniques, the bases of calculations, and changes in the basis for reporting or reclassifications of previously reported data are included as footnotes.

For this report, we have followed the International <IR> Framework of the International Integrated Reporting Council (IIRC) to provide a cohesive and comprehensive approach to our corporate reporting. However, we remain flexible and open to new approaches as the dynamic reporting environment continues to evolve.

Data Assurance

Data in this report is subject to various forms of assurance, as outlined below and noted in the data tables. This report has been reviewed by Ford's top senior executives, as well as the Sustainability, Innovation and Policy Committee and the Audit Committee of the Board of Directors.

Some of the data in our reports has been subject to internal and third-party verification.

The consolidated financial statements in our Form 10-K have been audited by our independent registered public accounting firm.

Ford's 2023 greenhouse gas inventory (including Scope 1, 2 and 3) is third-party verified by an organization with a Certification of Accreditation to ISO 14065:2013 by the ANSI National Accreditation Board and will become available at a later date. In addition, some manufacturing operations, as required by regulation, are also third-party verified following the respective regulatory requirements, such as EU-ETS. Find out more about EU-ETS in our CDP Climate Response, section 11.1.

Ford reports facility carbon dioxide equivalent (CO_2e) emissions to national emissions registries or other authorities, including in the U.S., Canada, Mexico, South Africa, China, Germany, Spain, and the U.K.

Various environmental data is reported to regulatory authorities. Ford's facility environmental data is managed using our Global Emissions Manager database and an internally developed strategies management tool, which provides a globally consistent approach to measurement and monitoring. The kind of assurance used for each data set is noted in the data charts.

Performance Data

In this section:

Performance Data

Performance Data is organized by Products & Services, Environmental, Social, and Governance topics

Ford is beginning the transition to align our Integrated Sustainability and Financial Report with the European Union Corporate Sustainability Reporting Directive (CSRD) (EU 2023/2772 of 31 July 2023).
Refer to CSRD metric column and Appendix 1 for more information

Financial Highlights

	Footnote	CSRD Metric	2021	2022	2023
Financial Performance					
Revenue		ESRS 2 SBM-1	$ 136.3B	$ 158.1B	$ 176.2B
Net income/(loss) attributable to Ford Motor Company			$ 17.9B	$ (2.0)B	$ 4.3B
Company adjusted earnings before interest and taxes (EBIT)			$ 10.0B	$ 10.4B	$ 10.4B
Company adjusted earnings before interest and taxes (EBIT) margin			7.3%	6.6%	5.9%
Company adjusted free cash flow			$ 4.6B	$ 9.1B	$ 6.8B
Adjusted earnings per share			$ 1.59	$ 1.88	$ 2.01
Income taxes paid/refunded			$ 568M	$ 801M	$ 1,027M

Methodology and Assumptions

Company adjusted EBIT, EBIT margin, free cash flow and earnings per share — see Form 10-K, pages 75-78 for definitions and reconciliations to GAAP (U.S. Generally Accepted Accounting Principles).

Spanish Taxonomy — In accordance with the Annex I of the Commission Delegated Regulation (EU) 2021/2178 of July 6, we understand that Ford Spain is exempt from the calculation of the numerator of the operating expenses.

Footnotes

1. For Spanish EU Taxonomy report click here: https://www.ford.es/experiencia-ford/portal-de-transparencia

Products and Services

Product Innovation

	Footnote	CSRD Metric	2021	2022	2023
Patents					
Global utility patents issued			3,286	2,883	2,133
U.S. utility patents issued to Ford and subsidiaries			1,669	1,327	1,287
Patents in Electric Vehicle (EV) technology			—	456	379

Taxonomy

	Footnote	CSRD Metric	2021	2022	2023
Spanish Taxonomy Key Performance Indicators					
Turnover eligibility	1		73%	76%	To be reported in 2025
CapEx eligibility	1		100%	90%	To be reported in 2025
OpEx eligibility			N/A	N/A	N/A
Turnover aligned	1		N/A	0%	To be reported in 2025
CapEx aligned	1		N/A	0%	To be reported in 2025
OpEx aligned			N/A	N/A	N/A

Performance Data
— continued

Products and Services

Vehicle Sales

	Footnote	CSRD Metric	2021	2022	2023
Vehicles Sold Globally					
Wholesales (Primarily Sales to Dealerships)			3.942M	4.231M	4.413M
Retail (Primarily Sales by Dealers)	1		4.200M	4.000M	4.185M
Vehicles Manufactured			3.922M	4.250M	4.419M
Electric and Hybrid Vehicles Sold Globally (retail)	1				
Zero Emission Vehicle (ZEV)			55,692	108,567	130,905
Hybrid Emission Vehicle (HEV)			126,663	156,397	204,664
Plug-In Hybrid Vehicle (PHEV)			64,460	80,063	71,766
Total			**246,815**	**345,027**	**407,335**

	Footnote	CSRD Metric	2021	2022	2023
BlueCruise					
Miles driven hands free (number)	2		—	—	156,000,000 +
BlueCruise equipped vehicles (number)			—	—	290,000 +
Customer hours driven hands free (number)			—	—	2,300,000 +
Controlled access highways (percent)	3		—	—	97%

Methodology and Assumptions

Wholesale unit volumes include sales of medium and heavy trucks. Wholesale unit volumes also include all Ford and Lincoln badged units (whether produced by Ford or by an unconsolidated affiliate) that are sold to dealerships or others, units manufactured by Ford that are sold to other manufacturers, units distributed by Ford for other manufacturers, local brand units produced by our unconsolidated Chinese joint venture Jiangling Motors Corporation, Ltd. ("JMC") that are sold to dealerships or others, and from the second quarter of 2021, Ford badged vehicles produced in Taiwan by Lio Ho Group. Vehicles sold to daily rental car companies that are subject to a guaranteed repurchase option (i.e., rental repurchase), as well as other sales of finished vehicles for which the recognition of revenue is deferred (e.g., consignments), also are included in wholesale unit volumes. Revenue from certain vehicles in wholesale unit volumes (specifically, Ford badged vehicles produced and distributed by our unconsolidated affiliates, as well as JMC brand vehicles) are not included in our revenue.

Footnotes

1. In U.S. terms, Retail includes sales to private customers through retail sales channels. In some markets/regions, this may be referred to as Registrations
2. Highway miles driven are based on North American roads
3. A controlled-access highway is a type of highway that has been designed for high-speed vehicular traffic with all traffic flow regulated (ingress and egress)

Performance Data
— continued

Climate Change

2035 Science Based Target initiative (SBTi) Greenhouse Gas (GHG) Reduction Targets Reference Information

	Footnote	CSRD Metric	Value
Target — Scope 1 and Scope 2 GHG Emissions — Operations	1	E1-4	
Target Year reduction from base year (percent)			76%
Base Year			2017
Base Year Value (metric tons of CO_2e)	2		4,644,894
Target Year			2035
Target Year Value (metric tons of CO_2e)			1,114,775
Share of Scope 1 emissions covered in base year (percent)			30%
Share of Scope 2 emissions covered in base year (percent)			70%
Target — Scope 3 (Category 11) GHG Intensity — Vehicle Use		E1-4	
Target Year reduction of Scope 3, Category 11 from base year (percent)			50%
Base Year			2019
Base Year Value (gCO_2e/km)			330
Target Year			2035
Target Year Value (gCO_2e/km)			165
Target Coverage of Total Scope 3 emissions, base year (percent)			69%
Target Coverage of Scope 3, Category 11 emissions, base year (percent)	3		78%

Methodology and Assumptions

Read more about the methodology in Climate Change — Achieving Carbon Neutrality starting on page 59.

Greenhouse Gases (GHG) covered in Scope 1, 2, and 3 targets include CO_2, CH_4, and N_2O.

Footnotes

1. Market-based value
2. Value includes all of Scope 1 and Scope 2 emissions
3. The Scope 3 target covers vehicle use in the U.S., EU and U.K., and China, representing the main regions where we operate

Performance Data
— continued

Climate Change — continued

Value Chain Greenhouse Gas (GHG) Emissions

	Footnote	CSRD Metric	2021	2022	2023
Scope 1 GHG Emissions	1	E1-6			
Gross Scope 1 GHG emissions (metric tons CO_2e)			1,069,907	1,197,739	1,108,815
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	2		—	13%	14%
Scope 2 GHG Emissions (metric tons of CO_2e)	1	E1-6			
Gross location-based GHG emissions			—	2,557,258	2,389,387
Gross market-based GHG emissions			2,000,128	1,565,270	1,355,152
Significant Scope 3 GHG Emissions (metric tons CO_2e)	3	E1-6			
Total gross indirect Scope 3 GHG emissions			342,825,043	370,223,095	384,119,775
Category 1 — Purchased goods and services — supplier emissions			45,957,880	40,523,517	43,018,074
Category 11 — Use of sold products — vehicle use (WTW)	8		289,146,167	319,568,185	332,412,213
Scope 3 Miscellaneous	4		7,720,996	10,131,393	8,689,489
Category 2 — Capital goods			2,283,630	3,692,787	2,250,884
Category 3 — Fuel and energy-related activities (not included in Scope 1 or 2)			620,502	749,237	749,237
Category 4 — Upstream transportation and distribution			1,481,396	1,936,637	1,936,637
Category 5 — Waste generated in operations			5,515	6,634	6,634
Category 6 — Business travel			11,482	26,712	26,712
Category 7 — Employee commuting			484,506	564,852	564,852
Category 8 — Upstream leased assets	5		—	—	—
Category 9 — Downstream transportation	6		—	—	—
Category 10 — Processing of sold products	7		—	—	—
Category 12 — End-of-life treatment of sold products			876,165	1,178,242	1,178,242
Category 13 — Downstream leased assets	7		—	—	—
Category 14 — Franchises			1,957,800	1,976,291	1,976,291
Category 15 — Investments	7		—	—	—
Total GHG Emissions (metric tons of CO_2e)	1, 3	E1-6			
Total location-based GHG emissions			—	373,978,091	387,617,977
Total market-based GHG emissions			345,895,078	372,986,104	386,583,742

Methodology and Assumptions

Scope 1 and 2 calculations include all operations (manufacturing + non-manufacturing).

Ford's Scope 2 calculations use the EPA eGRID and International Energy Agency (IEA) grid average emission factors and mixes, in line with the GHG Protocol Scope 2 Guidance. As these emission factor sources treat biomass for electricity generation as a zero emissions source, Ford also treats biomass as a carbon-free electricity source in its calculations.

Read more about the methodology in Climate Change — Achieving Carbon Neutrality starting on page 59; Further details on methodology, assumptions and emission factors for all scopes can be found in our 2023 CDP submission.

Scope 3 category 11 methodology includes vehicle emissions from an energy-cycle (fuel and electricity) perspective, well-to-wheels (WTW), which includes both the production and consumption of the energy used by the vehicles. Lifetime is defined as 150,000 miles (241,000 km) for light duty vehicles and 185,000 miles (298,000 km) for heavy duty vehicles. Read more on page 45 and 60.

Footnotes

1. 2023 Scope 1 and 2 data are preliminary and will be third-party verified at a later date
2. 2023 Scope 1 emissions for Emission Trading Schemes (ETS) are estimated and will be third-party verified according to the local requirements at a later date. Regulated emission schemes included in this calculation are EU ETS, Ontario Emissions Performance Standards (EPS), and UK ETS
3. Preliminary estimates of 2023 Scope 3 GHG emissions. Final data will be reported to CDP. Scope 3 emissions for 2022 and 2021 were reported and updated in the 2023 CDP report
4. Miscellaneous Scope 3 emissions categories include upstream and downstream transportation and distribution, business travel, capital goods, franchises, etc
5. Included in Scope 1 GHG Emissions calculation
6. Included in Scope 3 GHG Emissions category 4
7. Emissions are not relevant. See CDP report for further details
8. Category 11 values are calculated using well-to-wheels (WTW) methodology and include light duty (LDV) and heavy duty (HDV). Read more on page 60. 2021 and 2022 values have been updated to include all regions and fleets

Performance Data
— continued

Climate Change — continued

Vehicle Fuel Economy and CO_2 Emissions

	Footnote	CSRD Metric	2021	2022	2023
Ford U.S. Corporate Average Fuel Economy (mpg)	1				
Cars (domestic and import)			39.7	42.9	71.4
Trucks			29.1	29.6	29.2
Light duty fleet (combined car and truck)			30.2	30.7	31.3
Ford U.S. CO_2 Tailpipe Emissions per Vehicle (g/mi)					
Light duty fleet (combined car and truck) average CO_2 emissions	1		298	292	289
Europe CO_2 Tailpipe Emissions (g/km)	2				
Ford Europe CO_2 Tailpipe Emissions per Passenger Vehicle			118.01	113.71	To be reported in 2025
Ford Europe CO_2 Tailpipe Emissions per Light Commercial Vehicle			202.16	199.35	To be reported in 2025
Ford Switzerland CO_2 Tailpipe Emissions per Passenger Vehicle	3		123.64	113.35	112.65
Ford Switzerland CO_2 Tailpipe Emissions per Light Commercial Vehicle	3		211.70	200.69	194.35
Ford United Kingdom CO_2 Tailpipe Emissions per Passenger Vehicle			—	—	To be reported in 2025
Ford United Kingdom CO_2 Tailpipe Emissions per Light Commercial Vehicle			—	—	To be reported in 2025
Ford China Corporate Average Fuel Consumption (L/100km)	4				
Ford (China) Import			10.68	11.11	11.95
Jiangling Motors Corporation (JMC)	1		9.21	8.83	8.46
Changan Ford Automobile Corporation (CAF)	1		7.14	7.09	7.77
Ford China Corporate Average Tailpipe Emissions (g CO_2/km)	4				
Ford (China) Import			253.12	263.31	283.26
Jiangling Motors Corporation (JMC)	1		218.28	209.27	200.63
Changan Ford Automobile Corporation (CAF)	1		169.22	168.03	184.13
Global Fleet Efficiency	1				
Well-to-wheels intensity (LDV and HDV) (gCO_2e/km)	5		303	311	311
Well-to-wheels intensity (LDV) (gCO_2e/km)	6		254	250	251
Well-to-wheels intensity (HDV) (gCO_2e/km)	7		630	607	589
Percent reduction in well-to-wheels gCO_2e/km intensity (LDV and HDV) since 2019 (SBTi)	5	E1-4	8%	6%	6%
Percent reduction/(increase) in well-to-wheels gCO_2e/km intensity (LDV only) since 2019			5%	6%	6%
Percent reduction/(increase) in well-to-wheels gCO_2e/km intensity (HDV only) since 2019			(2)%	1%	4%

Methodology and Assumptions

Ford U.S. Corporate Average Fuel Economy for Truck and combined Car and Truck fleets include 0.5 miles per gallon (mpg) flex fuel vehicle (FFV) credits.

Ford U.S. CO_2 Tailpipe Emissions per vehicle includes FFV credits.

Ford U.S. Car (domestic and import), Truck, and combined Car and Truck (mpg and CO_2) fleets do not include A/C, Off-Cycle credits, or Advanced Technology multipliers.

Read more about the methodology in Climate Change — Achieving Carbon Neutrality starting on page 59; Further details on methodology, assumptions and emission factors can be found in our 2023 CDP submission.

Footnotes

1. 2022 and 2021 data have been updated to reflect final values. Previous reporting based on preliminary data. 2023 data are preliminary
2. From 2021 onwards the new European Worldwide Harmonized Light Vehicles Test Procedure (WLTP) standard is applied replacing the New European Driving Cycle (NEDC) standard applied prior 2021
3. Swiss ministry (BFE) provisional CO_2 Performance data. 2023 values reflect compliance status with 100 percent (%) Fleet (WLTP)
4. The China import and domestic (involving our joint ventures) fuel consumption values are reported separately
5. Global fleet efficiency intensity and reductions (our SBTi target) include both light duty (LDV) and heavy duty (HDV) vehicles in the U.S., EU and U.K., and China, representing the main regions where we operate
6. LDV includes cars and light trucks in U.S., M1 and N1 vehicles in EU and U.K., and M1 vehicles in China
7. HDV includes Class 2b-3 vehicles and light heavy duty and medium heavy duty vehicles in U.S.

Performance Data
— continued

Climate Change — continued

Additional Scope 1 and Scope 2 Greenhouse Gas (GHG) Emissions Data

	Footnote	CSRD Metric	2021	2022	2023
Worldwide Operations (Manufacturing and Non-Manufacturing) GHG Emissions (million metric tons CO2e)	1, 2	E1-6			
Scope 1 (Direct)			1.07	1.20	1.11
Scope 2 (Indirect)	3		2.00	1.57	1.36
Total			**3.07**	**2.76**	**2.46**
Worldwide Manufacturing Facility GHG Emissions (million metric tons CO_2e)	1, 2				
Scope 1 (Direct)			0.90	0.97	0.95
Scope 2 (Indirect)	3		1.61	1.27	1.08
Total			**2.51**	**2.25**	**2.03**

Absolute GHG Emissions Reductions

	Footnote	CSRD Metric	2021	2022	2023
Worldwide operations (manufacturing + non-manufacturing) Scope 1 and 2 GHG emission reductions since 2017 (percent) (SBTi)			—	40.5%	47.0%
Manufacturing facility operations Scope 1 and 2 GHG emission reductions since 2017 (percent)			—	43.5%	49.0%
Total Scope 3 GHG emission reductions since 2019 (percent)	4		—	22.3%	19.4%

GHG Emissions Intensity

	Footnote	CSRD Metric	2021	2022	2023
Total GHG Emissions Intensity	1, 4, 5	E1-6			
Total location-based GHG emissions per net revenue (tons of CO_2e/billion USD)			—	—	2,199,875
Total market-based GHG emissions per net revenue (tons of CO_2e/billion USD)			—	—	2,194,005
Net revenue used to calculate GHG intensity (billion USD)			—	—	$ 176.2
Net revenue (other) (billion USD)			—	—	$ 0.0
Total net revenue (in financial statements) (billion USD)			—	—	$ 176.2

Biogenic Emissions of CO_2

	Footnote	CSRD Metric	2021	2022	2023
Biogenic Emissions of CO_2 (metric tons of CO_2e)	1	E1-6			
From combustion or bio-degradation of biomass not included in Scope 1			—	—	0
From combustion or bio-degradation of biomass not included in Scope 2			—	—	0

Methodology and Assumptions

Scope 1 and 2 GHG Emissions Intensity calculations include all operations (manufacturing + non-manufacturing).

Ford's Scope 2 calculations use the EPA eGRID and International Energy Agency (IEA) grid average emission factors and mixes, in line with the GHG Protocol Scope 2 Guidance. As these emission factor sources treat biomass for electricity generation as a zero emissions source, Ford also treats biomass as a carbon-free electricity source in its calculations.

Read more about the methodology in Climate Change — Achieving Carbon Neutrality starting on page 59; Further details on methodology, assumptions and emission factors for all scopes can be found in our 2023 CDP submission.

Footnotes

1. 2023 data are preliminary and will be third-party verified at a later date
2. 2022 values have been updated to the final third-party verified numbers
3. Market-based value
4. Preliminary estimate of 2023 Scope 3 GHG emissions. Final data will be reported to CDP
5. Net revenue from Form 10-K, page 77

Performance Data
— continued

Climate Change — continued

Operational Energy Use

	Footnote	CSRD Metric	2023
Energy Consumption and Mix	1	E1-5	
Total fossil energy consumption (megawatt hours)			**8,180,451**
Share of fossil sources in total energy consumption (percent)			**69%**
Fuel consumption from coal and coal products (megawatt hours)			45,431
Fuel consumption from crude oil and petroleum products (megawatt hours)			107,394
Fuel consumption from natural gas (megawatt hours)			5,893,701
Fuel consumption from other fossil sources (megawatt hours)			0%
Consumption of purchased/acquired electricity, heat, steam, cooling from fossil sources (megawatt hours)			2,133,926
Consumption from nuclear sources (megawatt hours)			**1,014,191**
Share of consumption from nuclear sources in total energy consumption (percent)			**9%**
Total renewable energy consumption (megawatt hours)			**2,689,818**
Share of renewable sources in total energy consumption (percent)			**23%**
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (megawatt hours)			0
Consumption of purchased/acquired electricity, heat, steam, cooling from renewable sources (megawatt hours)			2,596,556
The consumption of self-generated non-fuel renewable energy (megawatt hours)			93,263
Total energy consumption (megawatt hours)			**11,884,460**

Energy Generation	1	E1-5	
Non-renewable energy (megawatt hours)			158,820
Renewable energy (megawatt hours)			115,739

Energy Intensity	1, 3	E1-5	
Total Net Revenue (billion USD)	2		$ 176.2
Net revenue from activities in high climate impact sectors used to calculate energy intensity (billion USD)			$ 176.2
Net revenue (other) (billion USD)			$ 0.0
Total Energy Consumption in high climate impact sectors (megawatt hours)			11,884,460
Energy Intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors (megawatt hours/billion USD)			67,449

Methodology and Assumptions

Operational Energy Use is calculated in Ford's GHG inventory. Read more about methodologies and assumptions in Climate Change — Achieving Carbon Neutrality starting on page 64.

Calculations include all operations (manufacturing + non-manufacturing).

Footnotes

1. 2023 data is preliminary and will be third-party verified at a later date
2. Net revenue from Form 10-K, page 77
3. Ford assumes that all energy consumption from our operations is associated with High Climate Impact Sectors, including Sections C.29, C.30, C.33, G, H, L.64.2, and L.64.9 12 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288)

Performance Data
— continued

Climate Change — continued

Operational Energy Use (continued)

	Footnote	CSRD Metric	2021	2022	2023
Worldwide Manufacturing Facility Energy Consumption (million megawatt hours)	1, 2				
Direct (Scope 1)			5.02	5.31	5.17
Indirect (Scope 2)			4.82	4.97	4.91
Total			**9.84**	**10.29**	**10.09**

Amount of Manufacturing Renewable/Carbon-free Electricity	1, 2				
Total Renewable Electricity (million megawatt hours)			1.42	2.03	2.29
Total Carbon-free Electricity (million megawatt hours)			—	—	3.18
Percent Renewable Electricity			32.4%	44.8%	50.8%
Percent Carbon-free Electricity			—	64.6%	70.5%

Methodology and Assumptions

Operational Energy Use is calculated in Ford's GHG inventory. Read more about methodologies and assumptions in Climate Change — Achieving Carbon Neutrality starting on page 64.

Calculations only include global manufacturing facilities.

Footnotes

1. 2023 data is preliminary and will be third-party verified at a later date
2. 2022 and 2021 values have been updated to the final third-party verified numbers

Performance Data
— continued

Climate Change — continued

Scope 2 Greenhouse Gas (GHG) Contractual Instruments

	Footnote	CSRD Metric	2023
Energy Attribute Certificates (EACs)		E1-6	
Guarantees of Origin	1		
Unbundled (total megawatt hours)			509,146
Unbundled (percent of total electricity)			9.4%
Bundled (total megawatt hours)			144,293
Bundled (percent of total electricity)			2.7%
International Renewable Energy Certificates (iRECs)	1		
Unbundled (total megawatt hours)			378,200
Unbundled (percent of total electricity)			7.0%
Bundled (total megawatt hours)			344,096
Bundled (percent of total electricity)			6.4%
Renewable Energy Certificates (RECs)	1		
Bundled (total megawatt hours)			464,964
Bundled (percent of total electricity)			8.6%
Utility Renewable and Nuclear Portfolio	1		
Bundled (total megawatt hours)			230,569
Bundled (percent of total electricity)			4.3%
Emission Free Energy Certificates (EFECs)	1		
Bundled (total megawatt hours)			425,223
Bundled (percent of total electricity)			7.9%

Total Electricity Consumption Covered by	1	
Bundled EACs (percent)		29.8%
Unbundled EACs (percent)		16.4%
Total (bundled and unbundled) EACs (percent)		46.3%
Total market-based emissions avoided due to EACs (metrics tons CO_2e)		1,034,235
Percent of total Scope 2 (location-based) emissions avoided due to EACs in the Scope 2 (market-based) method		43.3%
Percent of total Scope 2 (market-based) emissions avoided due to EACs in the Scope 2 (market-based) method		0.0%

Methodology and Assumptions

Greenhouse Gas (GHG) contractual instrument values are calculated in Ford's GHG inventory. Read more about methodologies and assumptions in Climate Change — Achieving Carbon Neutrality starting on page 64.

Calculations include all operations (manufacturing + non-manufacturing).

Footnotes

1. 2023 values are preliminary and will be third-party verified at a later date

Performance Data
— continued

Climate Change — continued

Releases (Volatile Organic Compounds (VOC) Emissions and Other)

	Footnote	CSRD Metric	2021	2022	2023
VOCs released by assembly facilities (grams per meter squared)			22.6	20.8	20.0
Ford U.S. Toxics Release Inventory (TRI) releases (million pounds)	1		2.4	2.3	2.4
Ford U.S. Toxics Release Inventory (TRI) releases per vehicle (pounds per vehicle)	1		1.4	1.4	1.3
Ford Canada National Pollutant Release Inventory (NPRI) releases (metric tons)	1		239	196	217
Ford Canada National Pollutant Release Inventory (NPRI) releases per vehicle (metric tons per vehicle)	1		0.0016	0.0019	0.0017

Non-CO_2 Tailpipe Emissions

	Footnote	CSRD Metric	2021	2022	2023
Ford U.S. Average NOx and NMOG Emissions (g/mile)					
Passenger cars	2		0.0570	0.0500	To be reported in 2025
All light duty	3		0.0600	0.0520	To be reported in 2025

Methodology and Assumptions

U.S. Average Oxides of Nitrogen (NOx) and Non-Methane Organic Gases (NMOG) emissions are calculated as described by EPA Regulation (40 CFR 86.1811-17).

Footnotes

1. 2023 data shows 2022 calendar year result
2. Passenger car fleet average Federal Test Procedure (FTP) NMOG + NOx Emissions from Tier 3 reports
3. LDT2, LDT3, LDT4, and Medium Duty Passenger Vehicle (MDPV) fleet average Federal Test Procedure (FTP) NMOG + NOx emissions from Tier 3 reporting data (LDT = Light Duty Truck)

Performance Data
— continued

Circular Economy and End of Life

Waste

	Footnote	CSRD Metric	2021	2022	2023
Regional Waste to Landfill (million kilograms)		E5-5			
North America			12.3	15.0	14.9
South America			0.0	0.0	0.0
Europe			1.3	1.0	0.2
China			0.0	0.0	0.0
International Markets Group (IMG)			2.7	2.3	1.2
Total			**16.3**	**18.3**	**16.3**
Waste to Landfill per Vehicle (kilograms)					
			4.3	4.4	3.8
Regional Hazardous Waste Generation (million kilograms)		E5-5			
North America			8.1	7.5	9.1
South America			1.8	0.7	1.1
Europe			18.8	20.4	19.9
China			3.2	3.4	3.0
International Markets Group (IMG)			4.4	5.2	4.7
Hazardous Waste Generation per Vehicle (kilograms)					
			9.6	8.9	8.7
Hazardous Waste by Disposal Method (million kilograms)		E5-5			
Reuse			0.7	0.8	0.8
Recycling			9.7	9.9	11.2
Composting			0.0	0.0	0.0
Recovery, including energy reduction			7.3	5.7	3.8
Incineration (mass burn)			4.6	2.7	3.2
Deep well injection			0.0	0.0	0.0
Landfill			2.2	2.1	0.6
On-site storage			5.1	6.1	5.3
Other (yard waste, etc.)			7.1	9.8	12.8
Total			**36.8**	**37.2**	**37.7**

Methodology and Assumptions

Footnotes

Performance Data
— continued

Circular Economy and End of Life — continued

Waste (continued)

	Footnote	CSRD Metric	2021	2022	2023
Non-Hazardous Waste by Disposal Method (million kilograms)		E5-5			
Reuse			9.6	5.9	6.4
Recycling			752.9	1,038.9	927.6
Composting			3.1	3.6	4.2
Recovery, including energy reduction			23.3	23.9	17.5
Incineration (mass burn)			5.9	3.4	3.1
Deep well injection			0.0	0.0	0.0
Landfill			14.1	16.3	15.7
On-site storage			4.8	5.6	6.5
Other (yard waste, etc.)			10.4	23.2	23.9
Total			**824.3**	**1,120.8**	**1,004.9**

Total Waste by Type and Disposal Method (million kilograms)	E5-5			
Reuse		10.3	6.7	7.2
Recycling		762.7	1,048.9	938.8
Composting		3.1	3.6	4.2
Recovery, including energy reduction		30.7	29.7	21.3
Incineration (mass burn)		10.5	6.1	6.3
Deep well injection		0.0	0.0	0.0
Landfill		16.3	18.4	16.3
On-site storage		10.0	11.7	11.8
Other (yard waste, etc.,)		17.6	33.0	36.6
Total		**861.1**	**1,158.0**	**1,043.0**

Scrap Metals (metric tons)				
North America		430,621	575,406	465,720
South America		15,561	6,078	6,280
Europe		137,156	259,254	269,690
China		11,439	31,957	7,311
International Markets Group (IMG)		29,870	46,019	50,572
Global		**624,647**	**918,714**	**799,573**

Total Waste and Percent Recycled and Reused				
Total waste (million metric tons)	E5-5	0.86	1.13	1.04
Percent Recycled and Reused		90%	91%	91%

Methodology and Assumptions

Footnotes

Performance Data
— continued

Circular Economy and End of Life — continued

Waste (continued)

	Footnote	CSRD Metric	2021	2022	2023
Zero Waste to Landfill (ZWTL)					
ZWTL sites globally			89	84	86
Percentage of manufacturing facilities that are true ZWTL			74%	74%	77%
Waste Reductions (absolute)					
Reduction/(increase) in waste sent to landfill since previous year (percent)			—	(4.4)%	8.0%
Waste Diverted from/Directed to Disposal		E5-5			
Hazardous Waste Diverted from Disposal (Total)			—	16,464,897	15,784,947
Non-Hazardous Waste Diverted from Disposal (Total)			—	1,991,117,472	1,755,286,051
Hazardous Waste Directed to Disposal (Total)			—	20,747,540	21,895,012
Non-Hazardous Waste Directed to Disposal (Total)			—	48,696,587	49,154,479
Other Waste		E5-5			
Non Recycled Waste (percent)			—	—	9%
Non Recycled Waste (Total)			—	—	96,587,333
Amount of Radioactive Waste (Total)			—	—	0

Methodology and Assumptions

Footnotes

Performance Data
— continued

Water Resources

Water

	Footnote	CSRD Metric	2021	2022	2023
Water Usage					
Global Water Use per Vehicle Produced (cubic meters)			3.75	3.51	3.48
Global Water Use by Source (million cubic meters)					
City water			11.7	12.1	12.3
Surface water			0.1	0.1	0.1
Well water			2.4	2.9	3.2
Total		E3-4	**14.2**	**15.1**	**15.6**
Total Water Consumption and Intensity (million cubic meters)		E3-4			
Total Water Consumption in Areas at Water Risk	1		—	—	3.3
Total Water Recycled			—	—	0.6
Total Water Reused			—	—	0.6
Total Water Stored	2		—	—	—
Changes in Water Storage	2		—	—	—
Regional Water Use (million cubic meters)		E3-4			
North America			8.2	8.6	8.7
South America			0.2	0.3	0.2
Europe			2.8	3.3	3.7
China			1.8	1.7	1.6
International Markets Group (IMG)			1.3	1.2	1.3
Water used at manufacturing sites			—	—	15.6
Reuse From On-Site Wastewater Treatment Plant (million cubic meters)					
			0.97	0.89	0.61
Process Wastewater Discharge (million cubic meters)					
			7.1	7.3	7.6
Freshwater Reduction					
Reduction in absolute freshwater use (percent from 2019)			—	21.7%	19.4%
Reduction/(increase) in absolute freshwater use (percent from previous year)			—	(6.8)%	(2.9)%
Reduction in annual freshwater consumption since 2000			—	76.2%	75.5%
Water saved since 2000 (billion gallons)			—	186.3	199.0
Amount of water use from an alternative water source in water scarce areas			—	8%	9%
Water reused (percentage)			—	6%	4%

Methodology and Assumptions

Ford views the terms Reuse and Recycle as equal.

Ford views the terms Consumption and Usage interchangeably.

Footnotes

1. 3.3 million cubic meters of freshwater
2. Ford does not store water of any significant amount

Performance Data
— continued

Human Rights

Corporate Human Rights Risk Assessments

	Footnote	CSRD Metric	2022	2023
Human Rights Risk Assessments conducted (number)	1, 2, 4		26	48
Human Rights Risk Assessments conducted (percent)	2		50%	100%
Human Rights Risk Assessments conducted since 2004	2, 3, 4		99	147

Supply Chain CDP Response Summary

	Footnote	CSRD Metric	2022	2023
Supplier Participation in CDP Questionnaires				
Suppliers that responded to CDP Water Security (number)			258	323
Increase in supplier response to CDP Water Security from previous reporting year (percent)			31%	25%
Suppliers that responded to CDP Climate Change (number)			313	377
Increase in supplier CDP Climate Change responses from previous reporting year (percent)			19%	20%

Sustainability Training

	Footnote	CSRD Metric	2022	2023
Supply Chain Sustainability Training (number)				
Ford Purchasing Employees Trained			844	406
Other Ford Employees Trained			2,647	400
Supplier Training				
Suppliers Trained (number)	5		979	1,632
Direct engagements with Suppliers (number)	6		60	48
Ford led live webinars on responsible 3TG, cobalt, and mica due diligence (number)			133	133
Live webinars on country-level topics by Drive Sustainability (Ford support) (number)	7		258	160
RMI eLearning training participation (number of suppliers)			102	58
RMI eLearning training participation (percent of invited suppliers)			18%	13%

Methodology and Assumptions

To support our internal due diligence activities, we continue to rely on Self-Assessment Questionnaires from the Responsible Business Alliance (RBA) to assess human rights risk in a quantitative process. The facility assessments identify potential gaps in systems, policies, and practices related to labor, health and safety, environment, and ethics in addition to human rights. Assessments are conducted at Ford fully owned and majority owned joint venture manufacturing facilities. Facility responses are reviewed for accuracy by Global Sustainability, Labor Affairs, Office of General Counsel (OGC), People Matters, Environmental Quality Office (EQO), and Health and Safety.

Starting in 2023, the assessments became a key component of Ford's updated risk management system compliant with the German Supply Chain Due Diligence Act.

Footnotes

1. One assessment may encompass multiple facilities based on factors such as shared management and proximity
2. Assessments are carried out at all of Ford's global manufacturing facilities, including majority-owned joint ventures
3. The cumulative counts since 2004 include Ford and RBA assessments
4. The 2022 reported numbers in the 2023 Human Rights Progress Report and Integrated Sustainability and Financial Report on cumulative assessments conducted were found to be in error. The reported count of 35 Human Rights Assessments (2022) and 109 Human Rights Assessments since 2004 have been updated to the correct figure of 26 and 99 based on the outlined assumptions respectively
5. Includes all RBA Academy Supplier training
6. Ford administered training to suppliers
7. Includes all supplier training, both live in person and in webinar form

Performance Data
— continued

Human Rights — continued

Supply Chain Management — Human Rights Assessments

	Total
Percentage of total supply base audited to date (since 2003)	42%

	Footnote	CSRD Metric	Total
Initial Audit Assessments — (Cumulative since 2003) (number)			
North America			180
South America			242
Europe			144
China			379
IMG			353
Total	1		**1,298**

	Footnote	CSRD Metric	Total
Follow Up Audit Assessments — (Cumulative since 2003) (number)			
North America			225
South America			374
Europe			192
China			460
IMG			474
Total	1		**1,725**

	Footnote	CSRD Metric	2022	2023
Responsible Business Alliance (RBA) Supplier On-Site Audit Summary				
Suppliers audited in reporting year (number)	2		25	46
Sites audited in reporting year (number)			25	47
Percentage of total supply base audited this year			0.60%	1.47%
RBA Supplier On-Site Audit Results				
Audited sites that required a follow-up audit (percent)	3		84%	65%
Follow-up audits that have completed final closure audit (percent)	4		5%	15%
Sites audited that submitted a CAP approved by a third party (percent)			76%	61%
Average score improvement among audited sites (percent)			67%	73%
Supplier relationships ended as a result of audit findings (number)			0	0
Supplier sourcing put on hold as a result of audit findings (number)			0	0

Methodology and Assumptions

Ford is the assumed to be the third party for the Responsible Business Alliance (RBA) On-Site Audit Results.

RBA Supplier On-Site Audit Score Improvement percent (%) = (Average Closure Score — Average Initial Score) / Average Initial Score.

Footnotes

1. Totals include audits performed by Ford, RBA and RSCI since 2003
2. In 2023, supplier audits include both Responsible Business Alliance (RBA) Validated Audit Procedure (VAP) and Responsible Supply Chain Initiative (RSCI)
3. Percent of suppliers that have priority non-conformances in a year
4. Percent of sites that completed multiple closure audits in a given year

Performance Data
— continued

Human Rights — continued

Supply Chain Management — Human Rights Assessments (continued)

	Footnote	CSRD Metric	2021	2022	2023
RBA Supplier On-Site Audit Scores — Initial and Closures (Average)					
Initial Audit Score (average)			107	104	79
Closure Audit Score (average)			189	174	137
Percent of suppliers audited that had non-conformance			—	100%	100%
RBA Supplier On-Site Audit Findings — category non-conformances found in initial audits conducted (non-conformance type percent of total)					
Management Systems			29%	28%	40%
Labor			28%	38%	28%
Health and Safety			28%	27%	18%
Environment			11%	6%	7%
Ethics			3%	1%	3%
RBA Supplier On-Site Audit Findings — category non-conformances found in initial audits conducted (percent of non-conformance category)					
Management System					
Supplier Responsibility			24%	30%	20%
Risk Assessment and Risk Management			11%	9%	19%
Communication			6%	6%	13%
Company Commitment			1%	2%	8%
Documentation and Records			6%	1%	4%
Audits & Assessments			15%	15%	2%
Management Accountability and Responsibility			15%	17%	1%
Improvement Objectives			8%	8%	1%
Legal and Customer Requirements			7%	5%	1%
Training			3%	4%	1%
Worker Feedback and Participation			4%	2%	0%
Corrective Action Process			2%	1%	0%

Methodology and Assumptions

In 2023, supplier audits include both Responsible Business Alliance (RBA) Validated Audit Procedure (VAP) and Responsible Supply Chain Initiative (RSCI).

Footnotes

Performance Data
— continued

Human Rights — continued

Supply Chain Management — Human Rights Assessments (continued)

	Footnote	CSRD Metric	2021	2022	2023
Labor					
Working hours			86%	38%	36%
Wages and Benefits			16%	16%	22%
Freely Chosen Employment Policies and Management Systems			21%	25%	15%
Non-Discrimination			14%	11%	6%
Freedom of Association			4%	6%	3%
Child Labor Avoidance Policies and Management Systems			9%	3%	3%
Humane Treatment			0%	1%	3%
Presence of Forced Labor			0%	0%	0%
Prevalence of Child Labor			0%	0%	0%
Health and Safety					
Emergency Preparedness			37%	44%	50%
Occupational Safety			26%	22%	28%
Occupational Injury and Illness			15%	16%	15%
Food, Sanitation and Housing			11%	11%	9%
Industrial Hygiene			5%	3%	9%
Machine Safeguarding			3%	2%	8%
Physically Demanding Work			2%	1%	5%
Health and Safety Communication			2%	1%	3%
Environment					
Hazardous Substances			30%	59%	65%
Air Emissions			14%	9%	19%
Materials Restrictions			5%	5%	19%
Energy Consumption and Greenhouse Gas Emissions			16%	18%	14%
Water Management			12%	0%	8%
Solid Waste			9%	0%	10%
Pollution Prevention and Resource Reduction			2%	5%	0%
Environmental Permits and Reporting			12%	4%	0%

Methodology and Assumptions

In 2023, supplier audits include both Responsible Business Alliance (RBA) Validated Audit Procedure (VAP) and Responsible Supply Chain Initiative (RSCI).

Footnotes

Performance Data
— continued

Human Rights — continued

Supply Chain Management — Human Rights Assessments (continued)

	Footnote	CSRD Metric	2021	2022	2023
Ethics					
No Improper Advantage			15%	67%	25%
Disclosure of Information			23%	0%	25%
Privacy			8%	33%	17%
Protection of Identity and Non-Retaliation			0%	0%	17%
Intellectual Property			23%	0%	8%
Fair Business, Advertising, and Competition			15%	0%	8%
Responsible Sourcing of Minerals			8%	0%	8%

Supply Chain — Drive Sustainability Self-Assessment Questionnaire (SAQ) Results

	Footnote	CSRD Metric	2021	2022	2023
Supplier Policy Gaps Identified in SAQ (percent)	1				
Supply Chain Management			37%	49%	40%
Environment			21%	15%	27%
Working Conditions & Human Rights			5%	6%	11%
Responsible Sourcing of Raw Materials			1%	1%	9%
Business Ethics			22%	17%	5%
Health & Safety			12%	10%	3%
Company Management			2%	1%	5%

Methodology and Assumptions

In 2023, supplier audits include both Responsible Business Alliance (RBA) Validated Audit Procedure (VAP) and Responsible Supply Chain Initiative (RSCI).

In 2023, the Drive Sustainability Self-Assessment Questionnaire (SAQ) (version 4.0 to 5.0) scope expanded increasing the number of gaps identified.

Footnotes

1. Gap type as percent of total

Performance Data
— continued

Human Rights — continued

Supply Chain — Drive Sustainability Self-Assessment Questionnaire (SAQ) Results (continued)

	Footnote	CSRD Metric	2021	2022	2023
SAQ Findings — Supplier policy/practice gap identified (percent)	1				
Access to water and sanitation			12%	10%	47%
Air quality			15%	13%	19%
Child labor			5%	5%	8%
Climate change — Greenhouse Gas (GHG) Emissions Reporting			N/A	7%	51%
Climate change — Energy Efficiency			N/A	6%	17%
Climate change — renewable energy			N/A	7%	25%
Equal and fair wages			6%	4%	10%
Forced labor and ethical recruitment	2		6%	8%	24%
Harassment and discrimination			4%	4%	27%
Health and Safety — Management System			9%	10%	10%
Health and Safety — Employee Training			5%	4%	5%
Health and Safety — Formal Policy			4%	3%	7%
Health and Safety — Other			16%	8%	13%

Supply Chain — Responsible Materials Sourcing

	Footnote	CSRD Metric	2021	2022	2023
Supplier Due Diligence and Reporting Response Rate (percent)					
Cobalt due diligence			—	100%	100%
Mica due diligence			—	100%	100%
Conflict mineral reporting			—	100%	100%
Reported Smelter Conformance Rates by Mineral (number)					
Tin			—	64	70
Tungsten			—	39	35
Tantalum			—	34	34
Gold			—	109	95
Cobalt			—	42	45
Mica			—	3	4

Methodology and Assumptions

In 2023, the Drive Sustainability Sustainability Self-Assessment Questionnaire (SAQ) (version 4.0 to 5.0) scope expanded increasing the number of gaps identified.

Footnotes

1. Percent of suppliers indicated
2. Forced labor and ethical recruitment includes human trafficking, which was reported separately in previous reports

Performance Data
— continued

Human Rights — continued

Supply Chain — Responsible Materials Sourcing (continued)

	Footnote	CSRD Metric	2021	2022	2023
Reported Smelter Conformance Rates by Mineral (percent)					
Tin			—	78%	81%
Tungsten			—	77%	66%
Tantalum			—	94%	94%
Gold			—	62%	54%
Cobalt			—	61%	59%
Mica			—	19%	17%

Map of Ford's Battery Material Supply Chains to the Mine Site

Supplier Type	Footnote	CSRD Metric	Number of Identified Suppliers	Country of Operation
Battery			5	China, Poland, Korea, USA
Cathode			5	China, Korea
Electrolyte			1	China
Manufacturer			9	China
Traders			41	China, Korea, Luxembourg, Netherlands, Singapore, Switzerland, United Arab Emirates
Refiner			34	Chile, China, Democratic Republic of the Congo (DRC), Finland, Korea, Sweden
Treatment Unit (TU)			14	Australia, Chile, DRC, Finland, Indonesia, Russia, Turkey
Large Scale Mine (LSM)			18	China, DRC, Finland, Indonesia, Russia, Turkey
Integrated TU/LSM			13	Australia, Chile, DRC, Turkey
Other	1		11	China
Total			**151**	

Methodology and Assumptions

Footnotes

1. "Other" includes unidentified types of recyclers and suppliers

Performance Data
— continued

Human Rights — continued

Supply Chain — RCS Global Audit Results of OECD Due Diligence management systems

	Footnote	CSRD Metric	2022	2023
Total battery material suppliers identified (number)	1		120	151
Identified battery material suppliers audited (percent)	2		25%	24%
EV Battery Supply chain audits conducted in reporting year (number)			11	15
Results from EV Battery Supply Chain audits (non-conformance type percent of total)	3			
Management System			35%	46%
Risk Assessment			23%	31%
Risk Mitigation			23%	10%
Public Reporting			9%	10%
Third party Audits			10%	4%

Methodology and Assumptions

Footnotes

1. Number of suppliers identified in supply chain as of December 31, accounting for both newly identified and removed suppliers
2. Percent of suppliers audited out of total identified suppliers as of December 31
3. As defined by OECD Due Diligence Guidance for responsible supply chains of minerals from Conflict-Affected and High Risk Countries

Performance Data
— continued

Product Safety and Quality

Vehicle Safety

	Footnote	CSRD Metric	2021	2022	2023
Ford & Lincoln Nameplates With 5-star Overall Rating (number)					
U.S. NCAP			12	10	10
Euro NCAP			10	8	7
China NCAP	1		2	1	7
Australia ANCAP			—	—	5
Available Ford and Lincoln Nameplates With 5-star Overall Rating (percent)					
U.S. NCAP			71%	56%	56%
Euro NCAP			83%	57%	64%
China NCAP	2		67%	81%	37%
Australia ANCAP			—	—	71%

Safety Recalls			
Number of safety recalls (Global)	—	114	109
Number of passenger vehicle recalls Global (million)	—	11.2	7.8
Number of safety recalls (U.S.)	53	72	54
Number of U.S. passenger vehicle recalls (million)	5.4	8.7	6.9

Methodology and Assumptions

In addition to meeting or exceeding applicable laws and regulations, we establish rating targets to achieve the desired performance in third-party New Car Assessment Programs (NCAP) testing.

Footnotes

1. For 2022 CY and earlier reports, we reported only nameplates that were awarded 5-star awards that calendar year. In 2023, we reported the number of nameplates that have a valid 5-star rating to be consistent with reporting for other regions
2. For 2022 CY and earlier report, we only included the nameplates that were rated for China NCAP to determine percentage. In 2023, we updated the calculation to be based on all nameplates in the market to be consistent with reporting for other regions

Performance Data
— continued

Human Capital Management and Diversity, Equity, and Inclusion

Workforce Profile

	Footnote	CSRD Metric	2021	2022	2023
Global Workforce by Region (percent)					
United States	1		49%	50%	51%
Mexico	1		7%	7%	9%
Canada	1		4%	4%	4%
South America			3%	3%	3%
Europe			21%	20%	19%
China			2%	2%	2%
International Markets Group (IMG)			14%	13%	13%

	Footnote	CSRD Metric	2021	2022	2023
Total Workforce by Hourly and Salaried					
Hourly			105,000	103,000	104,000
Salaried			70,000	68,000	69,000
Total company	2		**175,000**	**171,000**	**174,000**

	Footnote	CSRD Metric	Hourly	Salaried	Total
Total Workforce by Hourly and Salaried, by Region (number) (2023)					
United States	1		59,000	30,000	89,000
Mexico	1		10,000	5,000	15,000
Canada	1		5,000	2,000	7,000
South America			3,000	2,000	5,000
Europe			19,000	14,000	32,000
China			0	3,000	3,000
International Markets Group (IMG)			9,000	13,000	22,000
Total company	2		**104,000**	**69,000**	**174,000**

Methodology and Assumptions

In 2023, Human Capital Management data has been consolidated into a new analytics platform which improves the scalability and accuracy of employee related metrics. Ford's 2021 and 2022 data shown has been updated to use data from this new platform.

Global Workforce by Region = Regional Headcount / Total Headcount.

Hourly and Salaried Workforce data headcount rounded to the nearest thousand.

Global Workforce values include all Ford business units.

Footnotes

1. North America is now disaggregated to reflect North American countries (United States, Mexico, and Canada)
2. Effective in 2023, Salaried Workforce data is reported as Headcount (number of heads) and does not include consolidated joint venture employees in this report for all periods presented, while it is reported as Full-Time Equivalent (FTE) and includes consolidated joint ventures in the Form 10-K

Performance Data
— continued

Human Capital Management and Diversity, Equity, and Inclusion — continued

Diversity

	Footnote	CSRD Metric	2021	2022	2023
Global Salaried Employees by Gender (number)	1				
Women			19,000	19,000	19,000
Men			51,000	49,000	50,000
Global Salaried Employees by Gender (percent)	1				
Women			27.3%	27.9%	28.0%
Men			72.6%	72.1%	71.9%

U.S. Diversity Data

	Footnote	CSRD Metric	2021	2022	2023
U.S. Diversity Performance Data (percent)					
Total Underrepresented Minority Group Personnel					
Black/African American			22.4%	23.6%	23.8%
Asian			6.0%	5.9%	6.0%
Hispanic/Latino(a)			4.2%	4.3%	4.3%
Other Underrepresented Minorities	2		2.2%	2.5%	2.7%
White			64.9%	63.1%	61.9%
Total Underrepresented Minorities (Excluding White)	3		**34.8%**	**36.3%**	**36.8%**
Salaried Underrepresented Minority Group Personnel					
Black/African American			8.4%	8.5%	8.6%
Asian			15.7%	16.6%	16.5%
Hispanic/Latino(a)			4.1%	4.3%	4.3%
Other Underrepresented Minorities	2		2.1%	2.3%	2.7%
White			69.2%	67.1%	65.4%
Total Underrepresented Minorities (Excluding White)	3		**30.3%**	**31.7%**	**32.1%**
Hourly Underrepresented Minority Group Personnel					
Black/African American			30.3%	31.3%	31.5%
Asian			0.5%	0.6%	0.6%
Hispanic/Latino(a)			4.3%	4.3%	4.3%
Other Underrepresented Minorities	2		2.4%	2.6%	2.7%
White			62.4%	61.0%	60.1%
Total Underrepresented Minorities (Excluding White)	3		**37.6%**	**38.7%**	**39.1%**

Methodology and Assumptions

In 2023, Human Capital Management data has been consolidated into a new analytics platform which improves the scalability and accuracy of employee related metrics. Ford's 2021 and 2022 data shown has been updated to use data from this new platform.

Hourly and Salaried Workforce data headcount is rounded to the nearest thousand.

Women Percentage Metrics = Number of women in a group / the total known gender employees in the same group.

Footnotes

1. There are a small number of employees with Unknown, Non-Binary, or Non-Specific gender, thus Women and Men do not add up to 100 percent (%)
2. Other U.S. Underrepresented Minorities include Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, and Two or More Races
3. "U.S. Underrepresented Minority" is defined as Black/Africa American, Asian, Hispanic/Latino(a), Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, and Two or More Races. There are a small number of employees with Unknown and Not Disclosed ethnicity, thus Underrepresented Minority and White do not add up to 100 percent (%)

Performance Data
— continued

Human Capital Management and Diversity, Equity, and Inclusion — continued

U.S. Diversity Data (continued)

	Footnote	CSRD Metric	2021	2022	2023
U.S. Women Salaried and Hourly Employees (number)					
Salaried			9,000	8,000	8,000
Hourly			13,000	14,000	14,000
Overall	1		**21,000**	**22,000**	**23,000**
U.S. Women Salaried and Hourly Employees (percent)					
Salaried			27.5%	27.8%	27.6%
Hourly			23.4%	24.1%	24.4%
Overall			**24.9%**	**25.4%**	**25.5%**

Methodology and Assumptions

Hourly and Salaried Workforce data headcount is rounded to the nearest thousand.

Overall Hourly and Salary data is rounded from exact headcount values.

Footnotes

1. 2023 total was greater than 22,500 and was rounded up to 23,000

Performance Data
— continued

Human Capital Management and Diversity, Equity, and Inclusion — continued

Women in Management

	Footnote	CSRD Metric	2021	2022	2023
Women in Top Management by Region (percent)	1				
United States	4		26.9%	29.0%	29.0%
Mexico	4		25.0%	28.6%	18.2%
Canada	4		22.2%	15.6%	12.1%
South America			15.2%	13.3%	11.8%
Europe			14.5%	16.2%	18.7%
China			27.3%	26.6%	31.0%
International Markets Group (IMG)			13.6%	15.8%	16.7%
Total			**23.1%**	**24.8%**	**25.6%**

	Footnote	CSRD Metric	2021	2022	2023
Women in Professional Level by Region (percent)	2				
United States	4		27.5%	27.8%	27.6%
Mexico	4		28.5%	29.1%	29.6%
Canada	4		31.9%	30.6%	29.7%
South America			27.3%	28.5%	29.3%
Europe			22.1%	22.4%	22.7%
China			42.4%	42.6%	43.6%
International Markets Group (IMG)			26.9%	28.1%	29.6%
Total			**27.2%**	**27.8%**	**27.9%**

	Footnote	CSRD Metric	2021	2022	2023
Women in Hourly/Production by Region (percent)	3				
United States	4		23.4%	24.1%	24.4%
Mexico	4		22.0%	21.6%	25.1%
Canada	4		14.4%	14.8%	15.5%
South America			7.3%	8.4%	7.9%
Europe			10.5%	10.6%	11.0%
China	5		0.0%	0.0%	0.0%
International Markets Group (IMG)			15.2%	20.1%	22.4%
Total			**19.0%**	**20.0%**	**21.1%**

Methodology and Assumptions

In 2023, Human Capital Management data has been consolidated into a new analytics platform which improves the scalability and accuracy of employee related metrics. Ford's 2021 and 2022 data shown has been updated to use data from this new platform.

Women Percentage Metrics = Number of women in a group / the total known gender employees in the same group.

Women Workforce by Region = Regional Headcount / Total Headcount of only women.

Regional Workforce values include all Ford business units.

Footnotes

1. "Top Management" refers to salaried employees (Women) who are senior director level or above
2. "Professional Level" refers to salaried employees (Women) who are not top management
3. "Hourly/Production" refers to hourly employees (Women)
4. North America is now disaggregated to reflect North American countries (United States, Mexico, and Canada)
5. China does not have employees that are classified as hourly

Performance Data
— continued

Human Capital Management and Diversity, Equity, and Inclusion — continued

Employee Engagement

	Footnote	CSRD Metric	2021	2022	2023
Voluntary Quit Rate by Major Markets (salaried employees) (percent)					
United States			7.0%	5.7%	3.6%
Canada			4.5%	6.6%	3.6%
Mexico			6.7%	7.5%	3.9%
Brazil			4.9%	7.7%	7.5%
Germany	1		0.4%	0.5%	0.4%
United Kingdom	1		3.4%	3.5%	2.0%
China			10.3%	10.6%	9.2%
India			10.1%	18.8%	11.6%
Thailand			2.4%	3.5%	1.7%

Remuneration

	Footnote	CSRD Metric	2021	2022	2023
Remuneration					
Annual total remuneration ratio	2	S1-16	—	—	312:1
Global Gender Pay Ratio		S1-16	—	—	98.7%
U.S. Salaried Minority Pay Ratio			—	—	101.5%

Supplier Diversity

	Footnote	CSRD Metric	2021	2022	2023
Total Purchases in the U.S. ($ Billion)	3				
From minority-owned businesses			$ 7.46	$ 8.01	To be reported in 2025
From veteran-owned business			$ 0.13	$ 0.15	To be reported in 2025
From women-owned businesses			$ 1.15	$ 1.79	To be reported in 2025
From small businesses			$ 5.00	$ 4.10	To be reported in 2025
Total sourced in goods and services with diverse-owned businesses in last year			$ 9.70	$ 10.78	To be reported in 2025
Total sourced in goods and services with diverse-owned businesses to date			$ 170.00	$ 180.00	To be reported in 2025
Total purchase from diverse Tier 2 suppliers			$ 3.00	$ 4.48	To be reported in 2025

Methodology and Assumptions

Voluntary Quit Rate = Resignation Count / Average Headcount.

Footnotes

1. Previous Integrated Reports only reported the Quit Rate of Top Management in Europe. This year it includes all Salaried employees
2. The SEC-Section 953(b) under the Dodd-Frank Act requires public companies to disclose the "pay ratio" between its CEO's annual total remuneration and the median annual total remuneration of all employees representing including at least 95 percent (%) of the population in the calculation
3. Ford is enhancing tools and processes related to supply base spend data.

Performance Data
— continued

Human Capital Management and Diversity, Equity, and Inclusion — continued

Diversity

	Footnote	CSRD Metric	2021	2022	2023
Board of Directors Composition and Diversity (percent)		GOV - 1			
Men			73.3%	71.4%	71.4%
Women			26.7%	28.6%	28.6%
Underrepresented Minorities			13.3%	14.3%	14.3%
Board of Directors — Demographic Data (number)					
Men			11	10	10
Women			4	4	4
Underrepresented Minorities	1		2	2	2
Total			**15**	**14**	**14**
Executive and Non-Executive Members of Administrative, Management, and Supervisory Bodies		GOV - 1			
Non-Executive members (Men)	2		—	—	8
Non-Executive members (Women)	2		—	—	4
Executive members (Men)	3		—	—	2
Executive members (Women)	3		—	—	0

Methodology and Assumptions

Ford interprets the CSRD requirement GOV-1 for administrative, management, and supervisory bodies as the Board and the Committees (Audit, Compensation, Finance, Nominating and Sustainability).

Footnotes

1. For 2021, 2022, and 2023, the Underrepresented Minorities data includes 1 Puerto Rican and 1 African American
2. Non-executive members are considered non-employee directors
3. Executive members are considered employee directors

Performance Data
— continued

Employee Health and Safety

Employee Health and Safety

	Footnote	CSRD Metric	2021	2022	2023
Global Lost-Time Case Rate					
Ford Motor Company			0.35	0.39	0.40
Lost-Time Case Rate by Region					
North America			0.59	0.68	0.67
South America			—	—	0.32
Europe			0.24	0.34	0.29
China			0.02	0.01	0.01
International Markets Group (IMG)			0.12	0.02	0.05
Global Fatalities	1	S1-14	3	2	1
Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on Ford sites	2	S1-14	—	—	3

Confirmed Harassment Allegations

	Footnote	CSRD Metric	2021	2022	2023
Number of confirmed harassment allegations	3				
North America	4		92	55	15
South America			0	1	2
Europe			3	10	3
China			1	0	1
International Markets Group (IMG)			18	12	1
Total			**114**	**78**	**22**
Percentage of confirmed harassment allegations by region	5				
North America			0.25%	0.16%	0.04%
South America			0.00%	0.05%	0.08%
Europe			0.39%	1.15%	0.02%
China			0.03%	0.00%	0.03%
International Markets Group (IMG)			0.14%	0.11%	0.01%
Total	6		**0.20%**	**0.15%**	**0.03%**

Methodology and Assumptions

Lost-Time Case Rate = per 100 employees (cases with one or more days away from work per 200,000 hours).

Footnotes

1. In 2021, we experienced three fatalities within our operations and in 2022 experience two fatalities, both in our joint venture operations. Each loss of life is unacceptable. Consequently, cross-functional teams worked extensively to identify and implement controls to prevent recurrence of fatal hazards
2. 3 contractor fatalities in China, Europe, and North America
3. Confirmed harassment allegations (when the respondent is a salaried employee) that involve: sex- or race-related, hostile, demeaning or belittling behavior, whether it is physical, verbal, or both
4. In 2023, not all Manufacturing salaried cases were uploaded into the Case Management System, which is impacting the U.S. number. The expectation is that by the end of 2025, People Matters will have a new Case Management System which will allow the team to have a single source for investigation case data
5. Refers to confirmed harassment allegations as a percentage of the total population by region
6. For 2023, the Company Headcount source changed due to an internal HR system update. As a result, this impacted the percentage of the confirmed harassment metrics

Performance Data
— continued

Socioeconomic Contribution and Community Engagement

Community Engagement

	Footnote	CSRD Metric	2022	2023
Charitable Contributions				
Total Contributions (million USD)			$ 64.3	$ 73.7
Total given to disaster relief efforts (million USD)			$ 2.3	$ 1.8
Volunteer Hours — Total in reporting year			50,000+	55,000+
Volunteer Hours — Total since 2005 (million)			1.7	1.7
Contributions — Total since 1949 (billion USD)			$ 2.2	$ 2.3

Methodology and Assumptions

Footnotes

Performance Data
— continued

Supply Chain Management

Supply Chain Overview

	Footnote	CSRD Metric	2022	2023
Supply Chain Size				
Suppliers globally — Tier 1 (Production)			1,600 +	1,600 +
Countries that Ford has supplier production (number)			62	60
Supplier sites (Production)			4,500 +	5,000 +
Supplier parts manufactured (Production)			190,000 +	170,000 +
Supplier commodities sourced (Production)			531	547
Supplier companies (Non-Production)			24,000 +	24,000 +
Supplier commodities (Non-Production)			—	700
Suppliers (Production) with SBTi targets (percent)			—	4%
Suppliers accredited to ISO 14001 — Tier 1 (Production)			—	85%

Methodology and Assumptions

Suppliers noted as Production provide parts, components, and systems for vehicle manufacturing.

Suppliers noted as Non-Production provide all purchased goods or services that are not related to vehicle manufacturing.

Footnotes

Material Topics

Material Topics and Definitions

Topics are listed in alphabetical order within each category, not in order of priority.

Products and Services

Topic	Subtopics	Definition
Connected Vehicles and Digital Services	• Connectivity • Responsible Innovation and Intellectual Property (IP)	Accelerating innovation in Ford's connected and autonomous vehicle businesses and embracing technology, data and software in new ways, all whilst considering and further understanding the ethical challenges associated with advancing this market.

Environment

Topic	Subtopics	Definition
Air, Water, and Soil Pollution	• Pollution of air • Pollution of water and soil • Microplastics • Substances of concern (inc. PMPs, VOCs, Ozone Depleting Substances)	Minimizing emissions of substances of concern, including non-greenhouse gas emissions and microparticles through Ford's direct operations, downstream supply chain, or through the use of our products, that impact on air, soil and water quality, atmospheric conditions, and/or human health.
Biodiversity and Ecosystems	• Land use change • Degradation of ecosystems	Minimizing environmental impacts through Ford's direct operations and upstream and downstream of its value chain, including developing solutions to preserve biodiversity and restore ecosystems.
Circular Economy and End of Life	• Recycled and renewable materials (resource inflows) • Material recovery and recycling (resource outflows) • Waste and end of life impacts	Directing innovation towards developing sustainable materials for use in vehicles, including renewable and recycled materials, sustainable chemicals, and a reduction in substances of concern. Product, process, and material innovations should support the circular economy. Ensuring the appropriate management, recycling and disposal of Ford's operational waste and effluents produced both in manufacturing and on corporate premises.
Climate Change	• Greenhouse Gas (GHG) Emissions (operations, supply chain, and products) • Climate change impacts and resilience • Fuel economy innovations • Energy use and conservation • Electric Vehicles, Batteries, and Charging Infrastructure	Assessing and responding to the impact of climate-related risks and pursuing carbon neutrality through reducing CO_2e emissions from upstream and downstream activities, including Ford's direct and indirect operations and logistics, optimizing energy use through increasing access to affordable, reliable, and sustainable energy, and using alternative and lower carbon fuels. Ford's electric vehicle strategy is key to achieving climate change goals.
Water Resource	• Water consumption • Water withdrawals • Water discharges	Minimizing environmental impacts through Ford's direct operations upstream and downstream of its value chain, including ensuring efficient water use, management, treatment and discharge, and developing solutions to preserve biodiversity and restore ecosystems.

Material Topics
— continued

Topics are listed in alphabetical order within each category, not in order of priority.

Social

Topic	Subtopics	Definition
Customer Experience and Responsible Marketing	• Responsible marketing and sales • Customer satisfaction • Access to quality information	Maintaining customer satisfaction and loyalty through the quality of Ford's customer service and experience, from interactions with dealers and vehicle purchase through vehicle ownership, maintenance, and updates. Committing to responsible and ethical advertisements, communications, and sales strategies.
Employee Health and Safety	• Health and safety • Mental wellbeing and work-life balance • Employee engagement and satisfaction	Ensuring the physical safety, mental health, and wellness of Ford's employees is promoted, ensured, and maintained.
Human Capital Management and Diversity, Equity, and Inclusion	• Equal treatment and opportunities for all • Job stability and security • Freedom of association and collective bargaining • Talent attraction, growth, and development	Supporting the transition to a low-carbon future through promoting job creation, job retention, technical and career readiness, and training and development. This includes promoting diversity in all its forms, supporting the active integration and fair treatment of all employees, upholding the legal rights and fundamental principles that regulate labor relations between workers and employers, and ensuring the physical safety and mental health and wellness of employees.
Human Rights	• Working conditions and labor rights • Human trafficking, child labor, and forced labor • Supply chain transparency • Responsible material sourcing • Community rights (including Indigenous People)	We are committed to respecting human rights everywhere we operate and throughout our entire value chain. At all times respecting human rights and good labor relations throughout our value chain — from protecting the livelihoods of local and indigenous communities, to developing a responsible and transparent supply chain.
Product Safety and Quality	• Product health and safety • Product quality	Designing and manufacturing vehicles that meet or exceed all applicable laws and regulations and do not represent harm or hazards to consumers. They will offer state-of-the-art passive and active safety features, as well as driver assist technology to prevent or mitigate accidents.
Socioeconomic Contribution and Community Engagement	• Volunteering and corporate philanthropy • Disaster relief • STEM education and youth development • Engagement with communities local to Ford operations	Leveraging Ford's scale to help address societal challenges at a local level and strengthening local communities through targeted investment, positive engagement, volunteering, corporate philanthropy, and by partnering for sustainable development.

Material Topics
— continued

Topics are listed in alphabetical order within each category, not in order of priority.

Governance

Topic	Subtopics	Definition
Business Conduct	• Anti-corruption and anti-bribery • Responsible tax • Corporate culture • Political engagement • Protection against retaliation	Ensuring transparent and accountable corporate governance practices, with appropriate structures in place to combat corruption, bribery, and conflicts of interest and manage corporate risk while embedding ethical business practices. Integrity is promoted throughout operations, empowering employees to take responsibility for their own actions. This is accompanied by regular, transparent reporting.
Data Protection, Privacy, and Cyber Security	• Data Protection Management • Customer Privacy • Cybersecurity • Artificial Intelligence (AI) Ethics	Responsibility of Ford to use employee and customer data, and artificial intelligence tools, responsibly. Data science and analytics enables a better understanding of consumer behavior and should be harnessed to help maintain user privacy and improve digital and physical asset security.
Supply Chain Management	• Supply chain resilience • Supplier management	Ensuring supply continuity, capacity building, and improved performance, including business conduct, social, environmental, and governance actions. To achieve this, potential supply chain risks must be understood with measures taken to mitigate them.

CSRD Index

ESRS 2 IRO-2

In 2024, Ford is beginning the transition to align our Integrated Sustainability and Financial Report with the Corporate Sustainability Reporting Directive (CSRD) (EU 2023/2772 of 31 July 2023). Additional disclosures will be included in the 2025 Integrated Sustainability and Financial Report for full CSRD compliance. Below are those disclosures included in this 2024 report.

CSRD Disclosure	Location (section, page reference) and notes
ESRS 2: General Disclosures	
BP-1 — General basis for preparation of the sustainability statement	Sustainability Reporting Strategy, page 13
BP-2 — Disclosures in Relation to Specific Circumstances	Contents, page 3 Sustainability Reporting Strategy, page 13
GOV-1 — The role of the administrative, management and supervisory bodies	Upholding the Highest Levels of Integrity, page 126 Board of Directors Composition, page 127 Board Role and Responsibilities, page 128 Sustainability Governance, page 128 Performance Data Tables — Board of Directors Composition and Diversity (percent), page 163 Performance Data Tables — Executive and Non-Executive Members of Administrative, Management and Supervisory Bodies, page 163
GOV-2 — Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies	Sustainability Governance, page 128
GOV-3 — Integrated of sustainability-related performance in incentive schemes	Carbon Neutrality Overview — Governance, page 49 Director Remuneration, page 128
GOV-4 — Statement on due diligence	To be reported in future years
GOV-5 — Risk management and internal controls over sustainability reporting	Risk Management and Internal Controls, page 129
SBM-1 — Strategy, business model, and value chain	Financial Highlights, pages 9-10 Our Sustainability Strategy, page 13 Accelerating Progress, pages 15-20 How We Create Sustainable Value, page 21 Our Value Chain, page 26 Customer Focused Business Segments, pages 32-33 Electric Vehicles, Batteries, and Charging Infrastructure, pages 34-35 and 37 ICE and Hybrid Vehicles, page 38 Connected Vehicles and Digital Services, pages 40-42 Performance Data Tables — Financial Performance — Revenue, page 135
SBM-2 — Interests and views of stakeholders	Our Stakeholders, pages 26-29
SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model	Our Material Topics, page 12 Risk Factors, pages 122-124
IRO-1 — Description of the processes to identify and assess material impacts, risks, and opportunities	Our Materiality Process, page 12
IRO-2 — Disclosure requirements in ESRS covered by the undertaking's sustainability statement	CSRD Index, pages 170-175

CSRD Index
— continued

ESRS 2 IRO-2

CSRD Disclosure	Location (section, page reference) and notes
ESRS E1: Climate Change	
E1-1 — Transition plan for climate change mitigation	The Transition Plan — Climate Change Mitigation, pages 45-49
E1 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model	Our Material Topics, page 12 Climate Change Impacts, Risks, and Opportunities, page 53-57 Scenario / Resilience Analysis, pages 70-75
E1 IRO-1 — Description of the processes to identify and assess material climate-related impacts, risks, and opportunities	Our Materiality Process, page 12 Climate Change — Impacts, Risks, and Opportunities, pages 53-57
E1-2 — Policies related to climate change mitigation and adaptation	Climate Change — Policies, page 58
E1-3 — Actions and resources in relation to climate change policies	Climate Change The Transition Plan — Climate Change Mitigation, pages 45-49 Achieving Carbon Neutrality, pages 59-69
E1-4 — Targets related to climate change mitigation and adaptation	Climate Change The Transition Plan — Climate Change Mitigation, pages 45-49 Achieving Carbon Neutrality, pages 59-69 Performance Data Tables Target — Scope 1 and Scope 2 GHG Emissions — Operations, page 137 Target — Scope 3 (Category 11) GHG Intensity) — Vehicle Use, page 137 Global Fleet Efficiency — Percent reduction in well-to-wheels gCO_2e/km intensity since 2019 (SBTi), page 139
E1-5 — Energy consumption and mix	Performance Data Tables Energy Consumption and Mix, page 141 Energy Generation, page 141 Energy Intensity, page 141
E1-6 — Gross Scopes 1, 2, 3 and Total GHG emissions	Performance Data Tables Scope 1 GHG Emissions, page 138 Scope 2 GHG Emissions (metric tons of CO_2e), page 138 Significant Scope 3 GHG Emissions (metric tons of CO_2e), page 138 Total GHG Emissions (metric tons of CO_2e), page 138 Worldwide Operations (Manufacturing and Non-Manufacturing) GHG Emissions (million metric tons CO_2e), page 140 Total GHG Emissions Intensity, page 140 Biogenic Emissions of CO_2 (metric tons of CO_2e), page 140 Energy Attribute Certificates (EACs), page 143
E1-7 — GHG removals and GHG mitigation projects financed through carbon credits	GHG Removals and GHG Mitigation Projects Financed through Carbon Credits, page 69
E1-8 — Internal carbon pricing	To be reported in future years
E1-9 — Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	To be reported in future years

CSRD Index
— continued

ESRS 2 IRO-2

CSRD Disclosure	Location (section, page reference) and notes
ESRS E2: Pollution	
E2 IRO-1 — Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities	Our Materiality Process, page 12
E2-1 — Policies related to pollution	Circular Economy Policies, page 76 Air, Water, and Soil Pollution Policies, page 80
E2-2 — Actions and resources related to pollution	Substances of Concern and Substances of Very High Concern, page 78 Air, Water, and Soil Pollution — Our Approach, page 80 Vehicle Emissions, page 80 Plant Emissions Reductions, page 80
E2-3 — Targets related to pollution	Plant Emissions Reductions — Targets, page 80
E2-4 — Pollution of air, water, and soil	Vehicle Emissions — Tracking our Progress, page 80
E2-5 — Substances of concern and substances of very high concern	Substances of Concern and Substances of Very High Concern, page 78
E2-6 — Anticipated financial effects from pollution-related impacts, risks, and opportunities	To be reported in future years
ESRS E3: Water and Marine Resources	
E3 IRO-1 — Description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities	Our Materiality Process, page 12 Water Resources — Material Impacts, Risks and Opportunities, page 83
E3-1 — Policies related to water and marine resources	Water Policies, page 82
E3-2 — Actions and resources related to water and marine resources	Water Resources Our Approach, page 83 Actions and Resources, page 84
E3-3 — Targets related to water and marine resources	Water Resources — Metrics and Targets, page 84
E3-4 — Water consumption	Water Resources — Tracking Our Performance, page 84 Performance Data Global Water Use by Source (million cubic meters) — Total, page 148 Total Water Consumption and Intensity (million cubic meters), page 148 Regional Water Use (million cubic meters), page 148
E3-5 — Anticipated financial effects from water and marine resources-related impacts, risks, and opportunities	To be reported in future years
ESRS E4: Biodiversity and Ecosystems	
E4-1 — Transition plan and consideration of biodiversity and ecosystems in strategy and business model	To be reported in future years
E4 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model	Our Material Topics, page 12
E4 IRO-1 — Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies, and opportunities	Our Materiality Process, page 12
E4-2 — Policies related to biodiversity and ecosystems	To be reported in future years
E4-3 — Actions and resources related to biodiversity and ecosystems	To be reported in future years
E4-4 — Targets related to biodiversity and ecosystems	To be reported in future years
E4-5 — Impact metrics related to biodiversity and ecosystems change	To be reported in future years

CSRD Index
— continued

ESRS 2 IRO-2

CSRD Disclosure	Location (section, page reference) and notes
E4-6 — Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	To be reported in future years
ESRS E5: Resource Use and Circular Economy	
E5 IRO-1 — Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities	Our Materiality Process, page 12
E5-1 — Policies related to resource use and circular economy	Circular Economy Policies, page 76 Waste Management Policies, page 78
E5-2 — Actions and resources related to resource use and circular economy	Our Approach: A Focus on Plastics, page 76 Using Recycled Materials for Vehicle Parts, page 76 Additional Strategies and Actions, page 77 Our Approach to Waste Management, page 78
E5-3 — Targets related to resource use and circular economy	Our Approach: A Focus on Plastics — Metrics and Targets, page 76 Waste Management Metrics and Targets, page 78
E5-4 — Resource inflows	To be reported in future years
E5-5 — Resource outflows	Waste Management Metrics and Targets — Tracking our Progress, page 78 Performance Data Regional Waste to Landfill (million kilograms), page 145 Regional Hazardous Waste Generation (million kilograms), page 145 Hazardous Waste by Disposal Method (million kilograms), page 145 Non-Hazardous Waste by Disposal Method (million kilograms), page 146 Total Waste by Type and Disposal Method (million kilograms), page 146 Total Waste and Percent Recycled and Reused — Total waste (million metric tons), page 146 Waste Diverted from/Directed to Disposal, page 147 Other Waste, page 147
E5-6 — Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities	To be reported in future years
ESRS S1: Own Workforce	
S1 SBM-2 — Interests and views of stakeholders	Our Stakeholders, pages 27-30 Employee Feedback, page 105
S1 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model	Our Material Topics, page 12
S1-1 — Policies related to own workforce	Our Human Rights Policy, page 88 Human Capital Management and Diversity, Equity, and Inclusion (DEI) Policies, page 104 Health and Safety Policies, page 110

CSRD Index
— continued

ESRS 2 IRO-2

CSRD Disclosure	Location (section, page reference) and notes
S1-2 — Processes for engaging with own workers and workers' representatives about impacts	Due Diligence in Our Own Business, page 89 Engaging with Labor Unions, page 104 Employee Engagement, page 105 Employee Feedback, page 105 Safety Performance, page 110
S1-3 — Processes to remediate negative impacts and channels for own workers to raise concerns	Corporate Grievance Mechanism, page 89 Grievance Mechanisms and Remediation, page 106
S1-4 — Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Human Capital Management and Diversity, Equity, and Inclusion, page 104-107 and 109 Safety Conditions at New and Existing Facilities, page 110 Safety Operating System, page 110 Reporting Tools, page 111 Safety Training, page 111 Human-centered Design for Health, Safety and Wellness, page 111 Safety in Battery Manufacturing, page 111 Proactive Approach to Emergency Response, page 112 Employee Leadership and Support, page 112
S1-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	To be reported in future years
S1-6 — Characteristics of the undertaking's employees	To be reported in future years
S1-7 — Characteristics of non-employee workers in the undertaking's own workforce	To be reported in future years
S1-8 — Collective bargaining coverage and social dialogue	Engaging with Labor Unions, page 104
S1-9 — Diversity metrics	To be reported in future years
S1-10 — Adequate wages	To be reported in future years
S1-11 — Social protection	To be reported in future years
S1-12 — Persons with disabilities	To be reported in future years
S1-13 — Training and skills development metrics	Employee Learning and Development, page 106
S1-14 — Health and safety metrics	Safety Performance, page 110 Performance Data Lost-Time Case Rate by Region — Global Fatalities, page 164 Lost-Time Case Rate by Region — Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on Ford sites, page 164
S1-15 — Work-life balance metrics	To be reported in future years
S1-16 — Compensation metrics (pay gap and total compensation)	Equal Pay for Equal Work, page 105 Performance Data Remuneration — Annual Total Remuneration Ratio, page 162 Remuneration — Global Gender Pay Ratio, page 162
S1-17 — Incidents, complaints and severe human rights impacts	To be reported in future years

CSRD Index
— continued

ESRS 2 IRO-2

CSRD Disclosure	Location (section, page reference) and notes
ESRS S2: Workers in the Value Chain	
S2 SBM-2 — Interests and views of stakeholders	Our Stakeholders, pages 27-30
S2 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model	Our Material Topics, page 12
S2-1 — Policies related to value chain workers	Our Human Rights Policy, page 88 Our Supplier Code of Conduct, page 90
S2-2 — Processes for engaging with value chain workers about impacts	Human Rights in Our Supply Chain, page 90 Supply Chain Engagement, page 91 Supply Chain Due Diligence, page 92 Supply Chain Sustainability Training, page 93 Mineral Due Diligence, page 93 EV Battery Material Due Diligence, page 97
S2-3 — Processes to remediate negative impacts and channels for value chain workers to raise concerns	Grievance Mechanisms and Remedies, page 91 Remediation of Audit Findings, page 93
S2-4 — Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Sourcing for Sustainability, page 91 Supply Chain Sustainability Training, page 93 Responsible Sourcing of Raw Materials, page 93 Initiative for Responsible Mining Assurance, page 95 Better Mining, page 95 Battery Mapping, page 95
S2-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	To be reported in future years
ESRS S3: Affected Communities	
S3 SBM-2 — Interests and views of stakeholders	Our Stakeholders, pages 27-30
S3 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model	Our Material Topics, page 12 Community Engagement Policies, page 119
S3-1 — Policies related to affected communities	Community Engagement Policies, page 119
S3-2 — Processes for engaging with affected communities about impacts	Engaging with Communities, page 119
S3-3 — Processes to remediate negative impacts and channels for affected communities to raise concerns	Managing Impacts in our Communities, page 119
S3-4 — Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	The Ford Fund, pages 116-117 Creating Opportunities on a Global Scale, page 117
S3-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	To be reported in future years
ESRS S4: Consumers and End-Users	
S4 SBM-2 — Interests and views of stakeholders	Our Stakeholders, pages 27-30

CSRD Index
— continued

ESRS 2 IRO-2

CSRD Disclosure	Location (section, page reference) and notes
S4 SBM-3 — Material impacts, risks and opportunities and their interaction with strategy and business model	Our Material Topics, page 12 Responsible Marketing, page 115
S4-1 — Policies related to consumers and end-users	Product Safety and Quality Policies, page 99 Policies Related to Customers, page 113
S4-2 — Processes for engaging with consumers and end-users about impacts	Managing our Relationship with Customers, page 99 Engaging With Our Customers, page 113
S4-3 — Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Managing our Relationship with Customers, page 99 Product Safety and Quality — Tracking our Performance, page 100 Raising Concerns via Global Contact Centers, page 113
S4-4 — Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Managing our Relationship with Customers, page 113 Customer Feedback and Process to Remediate Negative Impacts, page 113 Strengthening Our Global Data Privacy and Protection Initiatives, page 132 Cyber Threats, page 132
S4-5 — Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	To be reported in future years
ESRS G1: Business Conduct	
G1 GOV-1 — The role of the administrative, management and supervisory bodies	Upholding the Highest Levels of Integrity, page 126 Board of Directors Composition, page 127 Board Role and Responsibilities, page 128 Sustainability Governance, page 128 Performance Data Tables — Board of Directors Composition and Diversity (percent), page 163 Performance Data Tables — Executive and Non-Executive Members of Administrative, Management and Supervisory Bodies, page 163
G1 IRO-1 — Description of the processes to identify and assess material impacts, risks, and opportunities	Our Materiality Process, page 12
G1-1 — Corporate culture and Business conduct policies and corporate culture	Adhering to Our Code of Conduct, page 126
G1-2 — Management of relationships with suppliers	Management of Relationships with Suppliers, page 125 Payment Policy, page 125
G1-3 — Prevention and detection of corruption and bribery	Upholding the Highest Levels of Integrity, page 126 Compliance Training, page 126 Reporting Violations, page 126
G1-4 — Confirmed incidents of corruption or bribery	To be reported in future years
G1-5 — Political influence and lobbying activities	Political Spending Process, page 131 Lobbying Activities, page 131
G1-6 — Payment practices	Payment Terms, page 125

GRI Index

This report is in accordance with the Global Reporting Initiative (GRI) Standards. To locate the topics and standards contained within the guidelines, and our responses to these standards, use the index below. For a detailed explanation of the standards, visit the GRI website.

GRI Standard	GRI Disclosure	Location and Notes
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	Form 10-K — Item 1. Business, pages 1-7 Contact us Worldwide Locations
2-2	Entities included in the organization's sustainability reporting	Reporting Scope, Boundaries, and Data Assurance, page 133 Form 10-K — Item 1. Business, pages 1-7
2-3	Reporting period, frequency and contact point	This annual Integrated Sustainability and Financial Report covers calendar year 2023. Publication date: April 22, 2024 Contact: sustaina@ford.com
2-4	Restatements of information	Performance Data, pages 135-166
2-5	External assurance	Reporting Scope, Boundaries, and Data Assurance, page 133
Activities and workers		
2-6	Activities, value chain and other business relationships	Sector: Automotive How We Create Sustainable Value, page 21 Our Stakeholders, page 26 No significant changes from previous reporting year reported
2-7	Employees	Performance Data — Human Capital Management and Diversity, Equity and Inclusion, pages 158-160 No significant fluctuations recorded in reporting period
2-8	Workers who are not employees	Information not available
Governance		
2-9	Governance structure and composition	Accountable and Inclusive Governance, pages 127-130 Proxy Statement 2024
2-10	Nomination and selection of the highest governance body	Proxy Statement 2024
2-11	Chair of the highest governance body	Board Role and Responsibilities, page 128 Proxy Statement 2024
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, page 128
2-13	Delegation of responsibility for managing impacts	Board Role and Responsibilities, page 128 Sustainability Governance, page 128 Risk Management and Internal Controls, pages 129-130 Management Processes, page 130
2-14	Role of the highest governance body in sustainability reporting	Management Processes, page 130 Reporting Scope, Boundaries, and Data Assurance, page 133

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
2-15	Conflicts of interest	Code of Business Conduct and Ethics for Members of the Board of Directors, pages 1-2 Proxy Statement 2024
2-16	Communication of critical concerns	Proxy Statement 2024 Total number and nature of critical concerns communicated are considered confidential.
2-17	Collective knowledge of the highest governance body	Charter of the Sustainability and Innovation Committee of the Board of Directors Proxy Statement 2024
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Principles, page 7
2-19	Remuneration policies	Proxy Statement 2024
2-20	Process to determine remuneration	Proxy Statement 2024
2-21	Annual total compensation ratio	Proxy Statement 2024
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Letter From Bill Ford and Jim Farley, page 4
2-23	Policy commitments	We Are Committed to Protecting Human Rights and the Environment policy Code of Conduct Supplier Code of Conduct Transparency, Business Ethics, and Integrity, page 126
2-24	Embedding policy commitments	Code of Conduct Supplier Code of Conduct Our Sustainability Strategy, page 13 Management Processes, page 130
2-25	Processes to remediate negative impacts	Grievance Mechanisms and Remedies, pages 91-92 Grievance Mechanisms and Remediation, pages 106-107 Reporting Violations, page 126
2-26	Mechanisms for seeking advice and raising concerns	Grievance Mechanisms and Remedies, pages 91-92 Grievance Mechanisms and Remediation, pages 106-107 Reporting Violations, page 126 External Grievance Channel
2-27	Compliance with laws and regulations	Form 10-K — Item 3. Legal Proceedings, pages 34-36
2-28	Membership associations	Trade Associations and Memberships Focusing on U.S. Policy Issues, page 131 2023 U.S. Political Engagement Report
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Our Stakeholders, pages 26-29
2-30	Collective bargaining agreements	68% of our global workforce is covered by collective bargaining agreements.
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Our Materiality Assessment, page 12
3-2	List of material topics	Our Materiality Assessment, page 12

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
3-3	Management of material topics	The management of each of our material topics is included in 3-3 of the topic disclosures within this GRI Index.
Material Topics		
GRI 200 Economic: Standard Series		
GRI 201: Economic Performance 2016		
3-3	Management of material topics	Financial Highlights, pages 9-10 How We Create Sustainable Value, page 21
201-1	Direct economic value generated and distributed	Form 10-K — Ford Motor Company and Subsidiaries Financial Statements, pages 105-179
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change — Impacts, Risks, and Opportunities, pages 53-57 Risk Factors, pages 122-124 Form 10-K — Operational Risks, pages 20-21; Macroeconomic, Market, and Strategic Risks, page 23; Legal and Regulatory Risks, page 28
201-3	Defined benefit plan obligations and other retirement plans	Form 10-K — Retirement Benefits pages 150-157
201-4	Financial assistance received from government	Form 10-K — Financial Risks, page 30; Government Incentives, page 123
GRI 202: Market Presence 2016		
3-3	Management of material topics	Fair and Decent Work, page 23 Equal Pay for Equal Work, page 105
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Fair and Decent Work, page 23 Equal Pay for Equal Work, page 105
202-2	Proportion of senior management hired from the local community	Information not available
GRI 203: Indirect Economic Impacts 2016		
3-3	Management of material topics	Socioeconomic Contribution and Community Engagement, pages 116-119
203-1	Infrastructure investments and services supported	How We Create Sustainable Value, page 21 BlueOval Battery Plant, page 35 Collaborating to Strengthen Charging Infrastructure, page 37 Transforming our Industrial System to Expand EV Production, page 37 Carbon-free Energy, page 66 Ecosystem Preservation at Cologne EV Center, page 85 Ecosystem Preservation in Michigan, page 85 Socioeconomic Contribution and Community Engagement, pages 116-119
203-2	Significant indirect economic impacts	How We Create Sustainable Value, page 21 Impacts of EV Transition, page 25 Socioeconomic Contribution and Community Engagement, pages 116-119 United Nations Sustainable Development Goals Index, pages 195-204

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
GRI 204: Procurement Practices 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Supplier Code of Conduct Responsible Material Sourcing Policy Human Rights in our Supply Chain, page 90 Supplier Diversity and Inclusion, page 109 Supply Chain Management, page 125
204-1	Proportion of spending on local suppliers	This information is considered confidential.
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	Anti-Bribery and Anti-Corruption, page 126 Ford Code of Conduct Supplier Code of Conduct
205-1	Operations assessed for risks related to corruption	We assess 100% of our operations for risks related to corruption. We consider operations that require contact with government officials to pose the most significant risk of corruption through bribery (obtaining necessary permits, handling cross-border logistics, making fleet sales to government entities, etc.).
205-2	Communication and training about anti- corruption policies and procedures	Compliance Training, page 126 Ford's anti-corruption policy must be adhered to by all Ford salaried and agency personnel around the globe. In addition, all Ford salaried and agency personnel, globally, are required to complete online Anti-Bribery Awareness training.
205-3	Confirmed incidents of corruption and actions taken	This information is considered confidential.
GRI 206: Anti-competitive Behavior 2016		
3-3	Management of material topics	Anti-Bribery and Anti-Corruption, page 126 Ford Code of Conduct
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Form 10-K — Legal Proceedings, pages 28-40
GRI 207: Tax 2019		
3-3	Management of material topics	Form 10-K — Note 7: Income Taxes, page 129 Charter of the Finance Committee of the Board of Directors, page 3
207-1	Approach to Tax	Form 10-K — Note 7: Income Taxes, page 129
207-2	Tax governance, control and risk management	Charter of the Finance Committee of the Board of Directors, page 3
207-3	Stakeholder engagement and management of concerns related to tax	This information is considered confidential.
207-4	Country-by-country reporting	Form 10-K — Note 7: Income Taxes, page 129. Country-level details are considered confidential.
GRI 300 Environmental Standards Series		
GRI 301: Materials 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Sustainable Materials Strategy, page 13 Circular Economy and End-of-Life, pages 76-78
301-1	Materials used by weight or volume	We monitor materials used and recycled materials per model. However, we are not able to report the total materials used, as the model series mix is confidential.
301-2	Recycled input materials used	This information is considered confidential.

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
301-3	Reclaimed products and their packaging materials	Remanufacturing Supports Sustainability Goals, page 77 Our Approach to Waste Management, page 78 Waste Management Metrics and Targets, page 78
GRI 302: Energy 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Energy Strategy, page 13 The Transition Plan — Climate Change Mitigation, pages 45-49 Decarbonization Levers and Actions Overview, page 48
302-1	Energy consumption within the organization	Operations — Scope 1 and 2, pages 64-67 Performance Data — Value Chain Greenhouse Gas (GHG) Emissions, page 138 Performance Data — Operational Energy Use, pages 141-142 CDP Climate Change Response
302-2	Energy consumption outside of the organization	Vehicle Use — Scope 3, pages 60-64 Supply Chain — Scope 3 — Purchased Goods and Services, pages 68-69
302-3	Energy intensity	Performance Data — Operational Energy use and CO_2 Emissions, pages 141-142
302-4	Reduction of energy consumption	Performance Data — Operational Energy use and CO_2 Emissions, pages 141-142
302-5	Reductions in energy requirements of products and services	Vehicle Use — Scope 3, pages 60-64 Supply Chain — Scope 3 — Purchased Goods and Services, pages 68-69
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Water Strategy, page 13 Water Resources, pages 82-84
303-1	Interactions with water as a shared source	Water Resources, pages 82-84 CDP Water Security Response
303-2	Management of water discharge-related impacts	CDP Water Security Response (item W1.2b)
303-3	Water withdrawal	Performance Data — Water, page 148 CDP Water Security Response (item W1.2b)
303-4	Water discharge	CDP Water Security Response (item W1.2b)
303-5	Water consumption	Performance Data — Water, page 148 CDP Water Security Response (items W1.2 and W1.2b)
GRI 304: Biodiversity 2016		
3-3	Management of material topics	Biodiversity and Ecosystems, page 85
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information not available.
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity and Ecosystems, page 85
304-3	Habitats protected or restored	Information not available.

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information not available.
GRI 305: Emissions 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Climate Change, pages 45-60 Air, Water, and Soil Pollution, pages 80-81
305-1	Direct (Scope 1) GHG emissions	Performance Data — Scope 1 GHG Emissions, page 138 CDP Climate Change Response — C5, emissions methodology. C6.1, scope 1 emissions.
305-2	Energy indirect (Scope 2) GHG emissions	Performance Data — Scope 2 GHG Emissions, page 138 CDP Climate Change Response — C5, emissions methodology. C6.3, scope 2 emissions.
305-3	Other indirect (Scope 3) GHG emissions	Performance Data — Significant Scope 3 GHG Emissions, page 138 CDP Climate Change Response (item C6.5)
305-4	GHG emissions intensity	Performance Data — GHG Emissions Intensity, page 140 CDP Climate Change Response (items C5, C6, C6.10, C7 and C-TO7.8)
305-5	Reduction of GHG emissions	Performance Data — Absolute GHG Emissions Reductions, page 140
305-6	Emissions of ozone-depleting substances (ODS)	Performance Data — Releases (Volatile Organic Compounds (VOC) Emissions and Other), page 144
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Performance Data — Non-CO_2 Tailpipe Emissions, page 144
GRI 306:Waste 2020		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Waste Management Policies, page 78 Our Approach to Waste Management, page 78 Waste Management Metrics and Targets, page 78
306-1	Waste generation and significant waste- related impacts	Our Approach to Waste Management, page 78
306-2	Management of significant waste-related impacts	Our Approach to Waste Management, page 78
306-3	Waste generated	Performance Data — Waste, pages 145-146
306-4	Waste diverted from disposal	Waste Diverted from/Directed to Disposal, page 147
306-5	Waste directed to disposal	Waste Diverted from/Directed to Disposal, page 147
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Supplier Code of Conduct
308-1	New suppliers that were screened using environmental criteria	Sourcing for Sustainability, page 91
308-2	Negative environmental impacts in the supply chain and actions taken	Sourcing for Sustainability, page 91 Performance Data — Supply Chain Management — Human Rights Assessments (continued) — Environment, page 152 CDP Water Security Response CDP Climate Change Response

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
GRI 400 Social Standards Series		
GRI 401: Employment 2016		
3-3	Management of material topics	People Strategy, page 13 Human Capital Management and Diversity, Equity, and Inclusion, pages 104-109
401-1	New employee hires and employee turnover	Performance Data — Voluntary Quit Rate by Major Markets, page 162
401-2	Benefits provided to full-time employees that are not provided to temporary or part- time employees	Employee Benefits, page 105 Ford offers comprehensive benefit packages that are competitive in the countries where we do business. Depending on location and country-specific practices, the packages may include pension plans, medical plans, life and accident insurance, disability protection and paid vacations and holidays.
401-3	Parental leave	Information not readily available
GRI 402: Labor/Management Relations 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Engaging with Labor Unions, page 104
402-1	Minimum notice periods regarding operational changes	Ford fully complies with applicable national and/or local legal requirements for minimum notice periods regarding significant operational changes.
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Employee Health and Safety, pages 110-112
403-1	Occupational health and safety management system	Safety Operating System, page 110
403-2	Hazard identification, risk assessment and incident investigation	Safe Observation Index, page 110 Reporting Tools, page 110
403-3	Occupational health services	Human-centered Design for Health, Safety, and Wellness, page 111
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Performance, page 110 Human-centered Design for Health, Safety, and Wellness, page 111
403-5	Worker training on occupational health and safety	Safety Training, page 111
403-6	Promotion of worker health	For non-occupational services, consultation is provided for employees who seek advice, but the employee is referred to their personal medical doctor for the treatment of non-occupational conditions (unless temporary care is required to relieve an emergency condition). Ford medical staff do not treat non-occupational medical conditions except in an emergency. Salaried employees have access to programs offered through the Ford Benefits Department, including Castlight – a personalized program focused on health promotion. Employees in most manufacturing locations, both hourly and salaried, have access to employee support services programs that include weight management, free counseling referrals, and on-site or near-site fitness facilities. In addition, those employees have access to Quarterly Wellness Programs that include blood pressure evaluations, lipid profile, and glucose monitoring where available.

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health and Safety, pages 110-112 Supply Chain Due Diligence, pages 92-93 Ford's internal hazard identification, risk assessment and incident investigation processes are ongoing and required at all times. Requirements pertain to contractors and all personnel on Ford majority-owned facilities, including Pre-Task Analyses (PTAs) identifying work hazards and mitigation, in case of occurrence. All PTAs are monitored by Ford. Contractors are instructed to report any job hazards to their supervisor and Ford representative. When employees are on-site at non-majority- owned facilities and joint ventures, they are required to adhere to the facilities' requirements.
403-8	Workers covered by an occupational health and safety management system	U.S. locations are governed by OSHA and the requirements established in the Code of Federal Regulations (Standards – 29 CFR), General Industry (Part 1910) and Construction (Part 1926). Additionally, ISO standards and select nationally recognized standards organizations such as the NFPA, ANSI and ASME form part of our compliance requirements. Internally, we have a structure of health and safety standards that align requirements established from OSHA, other applicable global regulations and applicable industry standards. The structure of the Safety Operating System (SOS) is based on these requirements. The scope of the SOS is Ford's majority-owned facilities. Joint ventures are encouraged to adopt Ford standards.
403-9	Work-related injuries	Performance Data — Employee Health and Safety, page 164 Data for occupational global injury breakdown is omitted as this information is considered confidential.
403-10	Work-related ill health	Performance Data — Employee Health and Safety, page 164 Data for work-related ill health breakdown is omitted as this information is considered confidential.
GRI 404: Training and Education 2016		
3-3	Management of material topics	Supply Chain Sustainability Training, page 93 Workforce and Talent Development, page 104 Employee Learning and Development, page 106
404-1	Average hours of training per year per employee	Information not available
404-2	Programs for upgrading employee skills and transition assistance programs	Supporting a Just Transition, page 104
404-3	Percentage of employees receiving regular performance and career development reviews	All full-time, regular, salaried employees are subject to the performance review process. Performance reviews for hourly employees depend on their collective agreement.
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Global Diversity, Equity and Inclusion, page 107
405-1	Diversity of governance bodies and employees	Performance Data — Human Capital Management and Diversity, Equity, and Inclusion, pages 158-161
405-2	Ratio of basic salary and remuneration of women to men	Equal Pay for Equal Work, page 105 Performance Data — Remuneration, page 162

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Harassment and Discrimination, page 24 Human Capital Management and Diversity, Equity, and Inclusion (DEI) Policies, page 104
406-1	Incidents of discrimination and corrective actions taken	Performance Data — Confirmed Harassment Allegations, page 164
GRI 407: Freedom of Association and Collective Bargaining 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Fair and Decent Work, page 23
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights Policy Commitments, page 89 Global Framework Commitments, page 91 Human Capital Management and Diversity, Equity, and Inclusion (DEI) Policies, page 104
GRI 408: Child Labor 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Responsible Material Sourcing Policy Forced Labor, Child Labor, and Human Trafficking, pages 23-24
408-1	Operations and suppliers at significant risk for incidents of child labor	Forced Labor, Child Labor, and Human Trafficking, pages 23-24 Human Rights Policy Commitments, page 89 Addressing Child Labor Through Economic Opportunities for Women, page 95 Performance Data Supply Chain Management — Human Rights Risk Assessments, page 150 Drive Sustainability Self-Assessment Questionnaire (SAQ) Results (continued), page 153
GRI 409: Forced or Compulsory Labor 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Responsible Material Sourcing Policy Forced Labor, Child Labor, and Human Trafficking, pages 23-24

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Forced Labor, Child Labor and Human Trafficking, pages 23-24 Human Rights, page 88-89 Our Supplier Code of Conduct, page 90 Supply Chain Sustainability Training, page 93 Performance Data Supply Chain Management, Human Rights Risk Assessments, page 150 Drive Sustainability Self-Assessment Questionnaire (SAQ) Results (continued), page 153
GRI 413: Local Communities 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Socioeconomic Contribution and Community Engagement , pages 116-119
413-1	Operations with local community engagement, impact assessments, and development programs	Socioeconomic Contribution and Community Engagement , pages 116-119 The Ford Fund
413-2	Operations with significant actual and potential negative impacts on local communities	Form 10-K — Item 3. Legal Proceedings, pages 34-36
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Human Rights, pages 90-97
414-1	New suppliers that were screened using social criteria	Performance Data — Supply Chain Management Human Rights Assessments, page 150
414-2	Negative social impacts in the supply chain and actions taken	Performance Data — Supply Chain Management Human Rights Assessments, pages 150-154
GRI 415: Public Policy 2016		
3-3	Management of material topics	Ford Code of Conduct Government Regulations, Policy and Engagement, page 131
415-1	Political contributions	Political Spending Process, page 131 2023 U.S. Political Engagement Report
GRI 416: Customer Health and Safety 2016		
3-3	Management of material topics	Ford Code of Conduct Product Safety and Quality, pages 99-103
416-1	Assessment of the health and safety impacts of product and service categories	Product Safety and Quality, pages 99-103
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Performance Data — Vehicle Safety, page 157

GRI Index
— continued

GRI Standard	GRI Disclosure	Location and Notes
GRI 417: Marketing and Labeling 2016		
3-3	Management of material topics	Ford Code of Conduct Responsible Marketing, page 115
417-1	Requirements for product and service information and labeling	Ford Motor Company follows all federal and state requirements applicable to the manufacturer for product certification and service information and labeling of our vehicles. Ford Motor Company follows all federal and state guidelines regarding marketing and advertising communications and abides by the Ford Marketing Standards Manual.
417-2	Incidents of non-compliance concerning product and service information and labeling	This information is considered confidential.
417-3	Incidents of non-compliance concerning marketing communications	This information is considered confidential.
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	Ford Code of Conduct Data Protection, Privacy and Cyber Security, page 132
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	This information is considered confidential.
Connected Vehicles and Digital Services		
3-3	Management of material topics	Connected Vehicles and Digital Services, pages 40-42

TCFD Index

The table below identifies the actions taken by Ford in response to the 11 recommended disclosures of the Task Force on Climate-Related Financial Disclosures (TCFD).

TCFD recommended disclosure	Location (section, page reference)
GOVERNANCE: Disclose the organization's governance around climate-related risks and opportunities.	
a. Describe the board's oversight of climate-related risks and opportunities.	Climate Change — Governance, page 49 Accountable and Inclusive Governance, pages 127-130
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Climate Change — Governance, page 49 Accountable and Inclusive Governance, pages 127-130
STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Change — Impacts, Risks, and Opportunities, pages 53-57 Risk Management and Internal Controls, pages 129-130
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	The Transition Plan — Climate Change Mitigation, pages 45-52 Achieving Carbon Neutrality, pages 59-69 Products and Services — pages 30-42
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Scenario / Resilience Analysis, pages 70-75
RISK MANAGEMENT: Disclose how the organization identifies, assesses, and manages climate-related risks.	
a. Describe the organization's processes for identifying and assessing climate-related risks.	Climate Change — Impacts, Risks, and Opportunities, page 54 Accountable and Inclusive Governance, pages 127-130
b. Describe the organization's processes for managing climate-related risks.	Climate Change — Governance, page 49 Accountable and Inclusive Governance, pages 127-130
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate Change — Governance, page 49 Accountable and Inclusive Governance, pages 127-130
METRICS AND TARGETS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	The Transition Plan — Climate Change Mitigation, pages 45-49 Achieving Carbon Neutrality, pages 59-69
b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Performance Data Tables — Value Chain GHG Emissions, page 138
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	The Transition Plan — Climate Change Mitigation, pages 45-49 Achieving Carbon Neutrality, pages 59-69 Performance Data Tables — 2035 Science Based Target initiative (SBTi) Greenhouse Gas (GHG) Reduction Targets Reference Information, page 137

SASB Index

The Sustainability Accounting Standards Board (SASB) connects businesses and investors to the financial impacts of sustainability. Our Integrated Sustainability and Financial Report 2024 marks the sixth time that Ford has reported against the Automobiles Sustainability Accounting Standard under the SASB framework.

SASB Standard – Automobiles (TR-AU)

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Product Safety	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	Quantitative	Percentage (%)	TR-AU-250a.1	Performance Data — Available Ford and Lincoln Nameplates With 5-star Overall Rating (percent), page 157
	Number of safety-related defect complaints, percentage investigated	Quantitative	Number, percentage (%)	TR-AU-250a.2	Performance Data — Safety Recalls, page 157 Ford reviews 100% of NHTSA Vehicle Owner Questionnaire (VOQ) Complains filed on Ford vehicles
	Number of vehicles recalled	Quantitative	Number	TR-AU-250a.3	Performance Data — Safety Recalls, page 157
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	Quantitative	Percentage (%)	TR-AU-310a.1	Ford works with about 44 unions globally, representing approximately 68% of their global workforce covered by collective bargaining agreements.
	(1) Number of work stoppages and (2) total days idle	Quantitative	Number, days idle	TR-AU-310a.2	Ford experienced work stoppages in 2023 at select facilities in the United States from September 15th through October 25th during union contract negotiations. Employees on strike or who were placed on a strike-related layoff totaled approximately 19,600. Total idled days was 41.
Fuel Economy & Use-Phase Emissions	Sales-weighted average passenger fleet fuel economy, by region	Quantitative	Mpg, L/km, gCO_2/km, km/L	TR-AU-410a.1	Performance Data — Vehicle Fuel Economy and CO_2 Emissions, page 139
	Number of (1) zero-emission vehicles (ZEV), (2) hybrid vehicles and (3) plug-in hybrid vehicles sold	Quantitative	Number	TR-AU-410a.2	Performance Data — Electric and Hybrid Vehicles Sold Globally (retail), page 136
	Discussion of strategy for managing fleet fuel economy, and emissions risks and opportunities	Discussion and Analysis	Not applicable	TR-AU-410a.3	Electric Vehicles, Batteries, and Charging Infrastructure, pages 34-37 Ice and Hybrid Vehicles, page 38 Carbon Neutrality Overview, pages 45-52 Achieving Carbon Neutrality, pages 59-69

SASB Index
— continued

SASB Standard – Automobiles (TR-AU)

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Not applicable	TR-AU-440a.1	Circular Economy and End of Life, pages 76-79 Responsible Sourcing of Raw Materials, page 93 Human Rights, pages 95-98
Materials Efficiency & Recycling	Total amount of waste from manufacturing, percentage recycled	Quantitative	Metric tons (t), percentage (%)	TR-AU-440b.1	Performance Data — Total Waste and Percent Recycled and Reused, page 146
	Weight of end-of-life material recovered, percentage recycled	Quantitative	Metric tons (t), percentage (%)	TR-AU-440b.2	Performance Data — Total Waste by Type and Disposal Method (million kilograms), page 146
	Average recyclability of vehicles sold	Quantitative	Percentage (%) by sales-weighted metric tons (t)	TR-AU-440b.3	Our Approach: A Focus on Plastics, page 76

Activity metric	Category	Unit of Measure	Code	Response
Number of vehicles manufactured	Quantitative	Number	TR-AU-000.A	Performance Data — Vehicles Sold Globally, page 136
Number of vehicles sold	Quantitative	Number	TR-AU-000.B	Performance Data — Vehicles Sold Globally, page 136

UNGPRF Index

The United Nations Guiding Principles Reporting Framework is a comprehensive guide for companies to report on human rights issues in line with their responsibility to respect human rights. This responsibility is outlined in the UN Guiding Principles on Business and Human Rights, the global standard in this field.

UNGPRF Questions	Location (section, page reference) and notes
Part A: Governance of respect for human rights	
Policy commitment	
A1 What does the company say publicly about its commitment to respect human rights?	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Our Human Rights Policy, pages 88-89 Our Human Rights Strategy, page 89
A1.1 How has the public commitment been developed?	Our Human Rights Policy, pages 88-89 Our Human Rights Strategy, page 89
A1.2 Whose human rights does the public commitment address?	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Our Human Rights Policy, pages 88-89
A1.3 How is the public commitment disseminated?	Our Human Rights Policy, pages 88-89
Embedding respect for human rights	
A2 How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	Our Human Rights Saliency Assessment, pages 22-25 Our Stakeholders, pages 26-29 Our Human Rights Policy, pages 88-89 Our Human Rights Strategy, page 89 Due Diligence in Our Own Business, page 89 Human Rights in Our Supply Chain, page 90 Accountable and Inclusive Governance, pages 127-130
A2.1 How is day-to-day responsibility for human rights performance organized within the company, and why?	Policy Statement on Ford's Human Rights Strategy, Policies and Processes Our Human Rights Policy, pages 88-89 Accountable and Inclusive Governance, pages 127-130
A2.2 What kinds of human rights issues are discussed by senior management and by the Board, and why?	Our Human Rights Saliency Assessment, pages 22-25 Our Human Rights Policy, page 88 Our Supplier Code of Conduct, pages 90-91 Accountable and Inclusive Governance, pages 127-130
A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Our Human Rights Saliency Assessment, pages 22-25 Our Stakeholders, pages 26-29 Our Human Rights Policy, pages 88-89 Supply Chain Sustainability Training, page 93 Employee Code of Conduct, page 126

UNGPRF Index
— continued

UNGPRF Questions	Location (section, page reference) and notes
A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights?	We Are Committed to Protecting Human Rights and the Environment policy Supplier Code of Conduct Our Human Rights Saliency Assessment, pages 22-25 Our Stakeholders, pages 26-29 Human Rights in Our Supply Chain, page 90 Our Supplier Code of Conduct, pages 90-91 Sourcing for Sustainability, page 91 Supply Chain Due Diligence, pages 92-93 Direct Sourcing of EV Battery Raw Materials, pages 96-97 Supplier Code of Conduct, page 126
A2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	Our Human Rights Saliency Assessment, pages 22-25 Our Human Rights Policy, pages 88-89 Our Human Rights Strategy, page 89 Due Diligence in Our Own Business, page 89 Sourcing for Sustainability, page 91 Supply Chain Due Diligence, pages 92-93 Responsible Sourcing of Raw Materials, page 93 Direct Sourcing of EV Battery Raw Materials, pages 96-97
Part B: Defining a focus of reporting	
Statement of salient issues	
B1 State the salient human rights issues associated with the company's activities and business relationships during the reporting period.	Our Human Rights Saliency Assessment, pages 22-25
Determination of salient issues	
B2 Describe how the salient human rights issues were determined, including any input from stakeholders.	Our Human Rights Saliency Assessment, pages 22-25
Choice of focal geographies (if any)	
B3 If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	Our Human Rights Saliency Assessment, pages 22-25
Additional severe impacts (if any)	
B4 Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	Our Human Rights Saliency Assessment, pages 22-25 Emerging Salient Risk: Data Privacy and Use of AI, page 25

UNGPRF Index
— continued

UNGPRF Questions	Location (section, page reference) and notes
Part C: Management of salient human rights issues	
Specific policies	
C1 Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	We Are Committed to Protecting Human Rights and the Environment policy Ford Code of Conduct Supplier Code of Conduct Policy Statement on Ford's Human Rights Strategy, Policies and Processes Our Human Rights Policy, pages 88-89 Our Human Rights Strategy, page 89
C1.1 How does the company make clear the relevance and significance of such policies to those who need to implement them?	Our Human Rights Policy, pages 88-89 Our Human Rights Strategy, page 89 Accountable and Inclusive Governance, pages 127-130
Stakeholder engagement	
C2 What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	Our Human Rights Saliency Assessment, pages 22-25 Our Stakeholders, pages 26-29
C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	Our Human Rights Saliency Assessment, pages 22-25 Our Stakeholders, pages 26-29
C2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	Our Human Rights Saliency Assessment, pages 22-25 Our Stakeholders, pages 26-29
C2.3 During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	Our Human Rights Saliency Assessment, pages 22-25 Our Stakeholders, pages 26-29
Assessing impacts	
C3 How does the company identify any changes in the nature of each salient human rights issue over time?	Our Human Rights Saliency Assessment, pages 22-25
C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	Our Human Rights Saliency Assessment, pages 22-25 Emerging Salient Risk: Data Privacy and Use of AI, page 25 Refer to '2023 Update' under each salient issue in the Our Human Rights Saliency Assessment section
C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	Our Human Rights Saliency Assessment, pages 22-25 Refer to '2023 Update' under each salient issue in the Our Human Rights Saliency Assessment section
Integrating findings and taking action	
C4 How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	Policy Statement on Ford's Human Rights Strategy, Policies and Processes Our Human Rights Saliency Assessment, pages 22-25 Our Human Rights Policy, pages 88-89 Our Supplier Code of Conduct, pages 90-91 Accountable and Inclusive Governance, pages 127-130
C4.1 How are those parts of the company whose decisions and actions can affect the management of salient issues involved in finding and implementing solutions?	Policy Statement on Ford's Human Rights Strategy, Policies and Processes Our Human Rights Saliency Assessment, pages 22-25 Our Human Rights Policy, pages 88-89 Our Supplier Code of Conduct, pages 90-91 Accountable and Inclusive Governance, pages 127-130

UNGPRF Index
— continued

UNGPRF Questions	Location (section, page reference) and notes
C4.2 When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	Our Human Rights Policy, pages 88-89 Our Human Rights Strategy, page 89 Our Supplier Code of Conduct, pages 90-91 Accountable and Inclusive Governance, pages 127-130
C4.3 During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	Our Human Rights Saliency Assessment, pages 22-25 Refer to '2023 Update' under each salient issue in the Our Human Rights Saliency Assessment section
Tracking performance	
C5 How does the company know if its efforts to address each salient human rights issue are effective in practice?	Due Diligence in Our Own Business, page 89 Supply Chain Due Diligence, pages 92-93
C5.1 What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?	Our Human Rights Saliency Assessment, pages 22-25 Refer to '2023 Update' under each salient issue in the Our Human Rights Saliency Assessment section
Remediation	
C6 How does the company enable effective remedy if people are harmed by its actions or decisions in relation to the salient human rights issues?	Corporate Grievance Mechanism, page 89 Due Diligence in Our Own Business, page 89 Grievance Mechanisms and Remedies, pages 91-92 Supply Chain Due Diligence, pages 92-93 Grievance Mechanisms and Remediation, pages 106-107
C6.1 Through what means can the company receive complaints or concerns related to each salient issue?	Corporate Grievance Mechanism, page 89 Due Diligence in Our Own Business, page 89 Grievance Mechanisms and Remedies, pages 91-92 Supply Chain Due Diligence, pages 92-93 Grievance Mechanisms and Remediation, pages 106-107
C6.2 How does the company know if people feel able and empowered to raise complaints or concerns?	Corporate Grievance Mechanism, page 89 Due Diligence in Our Own Business, page 89 Grievance Mechanisms and Remedies, pages 91-92 Supply Chain Due Diligence, pages 92-93 Grievance Mechanisms and Remediation, pages 106-107 Accountable and Inclusive Governance, pages 127-130
C6.3 How does the company process complaints and assess the effectiveness of outcomes?	Corporate Grievance Mechanism, page 89 Due Diligence in Our Own Business, page 89 Grievance Mechanisms and Remedies, pages 91-92 Supply Chain Due Diligence, pages 92-93 Grievance Mechanisms and Remediation, pages 106-107
C6.4 During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	Our Human Rights Saliency Assessment, pages 22-25 Refer to '2023 Update' under each salient issue in the Our Human Rights Saliency Assessment section
C6.5 During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	Our Human Rights Saliency Assessment, pages 22-25 Refer to '2023 Update' under each salient issue in the Our Human Rights Saliency Assessment section

UN SDGs Index

Contributing to the United Nations Sustainable Development Goals (UN SDGs)

In 2015, the Member States of the United Nations adopted the 2030 Agenda for Sustainable Development. At the core of this agenda are 17 Sustainable Development Goals (SDGs) – and the 169 targets that support them are intended to end poverty, protect the planet and ensure prosperity for all.

Our Priorities

Since 2016, Ford Motor Company has been a signatory to the UN SDGs and we remain committed to contributing to progress toward them. We have identified 10 SDGs where we can make the greatest impact. Achieving them by 2030 will require multi-stakeholder collaboration at a local, national and international level, so we call on our stakeholders and partners to join us as we strive to meet these ambitions. Within Ford, regular discussions involving our global sustainability team, various skill teams and the Sustainability, Innovation, and Policy Committee of the Board of Directors help to examine our performance through the lens of the SDGs. The following pages include examples of how we are contributing to the SDGs and where further information on these efforts can be found.

Find Out

More about the UN SDGs

UN SDGs Index
— continued

SDG 3: Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all age

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
We aspire to attain zero-emissions from our vehicles and facilities to help improve air quality, and work towards a future that is free from vehicle crashes and workplace injuries. A clean, healthy, and sustainable environment; health and safety; and rights of Indigenous Peoples are salient human rights issues for Ford. Ford cares about customer safety, and vehicle safety will always be one of our highest priorities. We understand that for our own employees and community members to reach their full potential, we must support their physical, mental and emotional health and wellbeing and maintain the highest levels of safety throughout the value chain.	• Air, Water, and Soil Pollution • Employee Health and Safety • Human Rights • Product Safety and Quality	3.6: By 2020, halve the number of global deaths and injuries from road traffic accidents 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	Accelerating Progress (Air, Water), page 17 Accelerating Progress (Safety), page 19 Carbon Neutrality Overview, pages 45-52 Air, Water, and Soil Pollution, pages 80-81 Water Resources, pages 82-84 Product Safety and Quality, pages 99-103 Employee Health and Safety, pages 110-112 Performance Data — Non-CO_2 Tailpipe Emissions, page 144 Performance Data — Water Resources, page 148 Performance Data — Vehicle Safety, page 157 Performance Data — Employee Health and Safety, page 164

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 4: Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
Through continual, agile learning, we can support our employees, suppliers, dealers and communities to keep pace with a rapidly evolving world. Education and training opportunities give people the best chance of fulfilling their potential, support capacity building in our supply chain and prepare the next generation of designers, engineers and technicians for the challenges and changes in technology that lie ahead.	• Human Rights • Socioeconomic Contribution and Community Engagement	4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development 4.b: By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrollment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries	Accelerating Progress (Human Rights), page 18 Supporting a Just Transition, page 104 Socioeconomic Contribution and Community Engagement, pages 116-119 Performance Data — Community Engagement, page 165

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 5: Gender Equality

Achieve gender equality and empower all women and girls

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
We aspire to support a diverse, equitable, and inclusive workplace where each person is valued. Fair and decent work; forced labor, child labor, and human trafficking; and harassment and discrimination are salient human rights issues for Ford. Supporting and sustaining a diverse, equitable and inclusive workplace includes ensuring women are equally represented at all levels of our business and supporting initiatives that empower women and girls. The strongest businesses promote diversity, equity and inclusion.	• Human Capital Management and Diversity, Equity and Inclusion • Human Rights	5.1: End all forms of discrimination against all women and girls everywhere 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 5.b: Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women	Accelerating Progress (Human rights), page 18 Accelerating Progress (DEI), page 20 Human Capital Management and Diversity, Equity and Inclusion, pages 104-109 Performance Data — Human Capital Management and Diversity, Equity, and Inclusion, pages 158-163

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 6: Clean Water and Sanitation

Ensure availability and sustainable management of water and sanitation for all

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
Water is critical to our manufacturing operations, so we manufacturing processes and use freshwater only for human consumption. A clean, healthy and sustainable environment, which includes access to safe drinking water and adequate sanitation, is a salient human rights issue for Ford. We work with our supply chain, especially in water-stressed locations, to reduce water consumption.	• Air, Water, and Soil Pollution • Human Rights • Water Resources	6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate 6.6: By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes 6.b: Support and strengthen the participation of local communities in improving water and sanitation management	Accelerating Progress (Water), page 17 Air, Water, and Soil Pollution, page 80 Water Resources, pages 82-84 Performance Data — Water Resources, page 148

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 7: Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
We aspire to use 100 percent carbon-free electricity in all manufacturing by 2035 through a mix of wind, solar power, nuclear, geothermal, biomass, and hydro. A clean, healthy and sustainable environment, which includes climate change and energy use, is a salient human rights issue for Ford. As part of our commitment to address climate change, we recognize the need to maximize energy efficiency in our operations. This will be key to achieving carbon neutrality no later than 2050.	• Climate Change • Human Rights	7.2: By 2030, increase substantially the share of renewable energy in the global energy mix 7.3: By 2030, double the global rate of improvement in energy efficiency	Accelerating Progress (Energy), page 16 Carbon Neutrality Overview, pages 45-52 Climate Change Policies, page 58 Achieving Carbon Neutrality, pages 59-69 Performance Data — Operational Energy Use, pages 141-142

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 8: Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
We aspire to source only raw materials that are responsibly produced. Fair and decent work; forced labor, child labor, and human trafficking; health and safety; and impacts of EV transition are salient human rights issues for Ford. With thousands of employees, and many more in our supply chain, we strive to ensure all our activities comply with local laws and our own commitments. We respect the different cultures and beliefs of our team members, customers, and the communities we serve.	• Climate Change • Customer Experience and Responsible Marketing • Employee Health and Safety • Human Capital Management and Diversity, Equity, and Inclusion • Human Rights • Supply Chain Management	8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Accelerating Progress (Climate Change), page 15 Accelerating Progress (Human Rights), page 18 Accelerating Progress (Safety), page 19 Accelerating Progress (DEI), page 20 Products and Services, pages 31-42 Human Rights, pages 88-98 Human Capital Management and Diversity, Equity and Inclusion, pages 104-109 Employee Health and Safety, pages 110-112 Socioeconomic Contribution and Community Engagement, pages 116-119 Supply Chain Management, page 125 Performance Data — Human Rights, pages 149-156 Performance Data — Remuneration, page 162 Performance Data — Supplier Diversity, page 162 Performance Data — Community Engagement, page 165

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 10: Reduced Inequalities

Reduce inequality within and among countries

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
We aspire to support a diverse, equitable, and inclusive workplace where each person is valued. Fair and decent work; harassment and discrimination; and the rights of Indigenous Peoples are salient human rights issues for Ford. We respect the different cultures and beliefs of our team members, customers, and the communities we serve.	• Business Conduct • Human Capital Management and Diversity, Equity, and Inclusion • Human Rights	10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	Accelerating Progress (Human Rights), page 18 Accelerating Progress (DEI), page 20 Human Capital Management and Diversity, Equity and Inclusion, pages 104-109 Transparency, Business Ethics and Integrity, page 126 Accountable and Inclusive Governance, pages 127-130 Performance Data — Remuneration, page 162

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 11: Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
We aspire to drive human progress by providing mobility and accessibility for all. A clean, healthy, and sustainable environment; health and safety; impacts of EV transition; and the rights of Indigenous Peoples are salient human rights issues for Ford. This will require innovative new technologies and services that will help address a host of challenges from congestion to poor air quality.	• Business Conduct • Climate Change • Connected Vehicles and Digital Services • Data Protection, Privacy, and Cyber Security • Employee Health and Safety • Human Rights • Product Safety and Quality	11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Accelerating Progress (Access), page 20 Products and Services, pages 31-42 Carbon Neutrality Overview, pages 45-52 Achieving Carbon Neutrality, pages 59-69 Our Approach to Waste Management, page 78 Air, Water, and Soil Pollution, pages 80-81 Product Safety and Quality, pages 99-103 Data Protection, Privacy, and Cyber Security, page 132 Performance Data — Non-CO_2 Tailpipe Emissions, page 144 Performance Data — Waste, pages 145-147 Performance Data — Vehicle Safety, page 157

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 12: Responsible Consumption and Production

Ensure sustainable consumption and production patterns

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
We aspire to eliminate single-use plastics from our operations by 2030, reach true zero waste to landfill across our operations and utilize only recycled or renewable content in vehicle plastics. A clean, healthy, and sustainable environment and rights of Indigenous Peoples are salient human rights issues for Ford. Manufacturing vehicles requires the use of natural resources, some of which have a limited or finite supply.	• Biodiversity and Ecosystems • Circular Economy and End of Life • Climate Change • Human Rights	12.2: By 2030, achieve the sustainable management and efficient use of natural resources 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities	Accelerating Progress (Materials, Waste), page 16 Accelerating Progress (Air, Water), page 17 Circular Economy and End of Life, pages 76-79 Air, Water, and Soil Pollution, pages 80-81 Biodiversity and Ecosystems, page 85 Human Rights, pages 88-98 Supply Chain Management, page 125 Performance Data — Non-CO_2 Tailpipe Emissions, page 144 Performance Data — Waste, pages 145-147

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

UN SDGs Index
— continued

SDG 13: Climate Action

Action to combat climate change and its impacts

Why is this a priority for Ford?	Ford's material topics	Most relevant SDG targets	Examples of Ford's impact
We aspire to achieve carbon neutrality globally no later than 2050 and in Europe by 2035. A clean, healthy and sustainable environment and the impacts of an EV transitions are salient human rights issues for Ford. Climate change is a global challenge that affects us all. Emissions from our operations and the use of our vehicles contribute to climate change, negatively impacting people and communities.	• Climate Change • Human Rights	13.2: Integrate climate change measures into national policies, strategies and planning 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning 13.a: Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly $100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible	Financial Highlights — Sustainable Financing Framework Update, page 10 Accelerating Progress (Climate Change), page 15 Climate Change, pages 45-75 Government Regulations, Policy and Engagement, page 131 Performance Data — Climate Change, pages 137-144

Read More

In Appendix 1 of Integrated Sustainability and Financial Report 2024 for definitions of material topics

Resource List

Ford Sustainability Reporting

Previous Year's Reports

Sustainable Financing Report 2023

Sustainable Financing Framework

CDP Climate

CDP Water

Other Documents and Resources

Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain

Board of Directors Code of Ethics and Charters

Global Modern Slavery Statement

Ford Code of Conduct

The Ford Fund

Ford Pro Inflation Reduction Act website

Ford Production Purchasing Global Terms and Conditions

Ford's Responsible Materials Sourcing Policy

Ford Supplemental Diversity Report

Form 10-K

Political Engagement Report 2023

Proxy Statement 2024

Supplier Code of Conduct

U.S. EEO-1 Report

We Are Committed to Protecting Human Rights and the Environment policy

Footnotes and Disclaimers

1. Effective in 2023, Salaried Workforce data is reported as Headcount (number of heads) and does not include consolidated joint venture employees in this report for all periods presented, while it is reported as Full-Time Equivalent (FTE) and includes consolidated joint ventures in the Ford 10-K.
2. See Form 10-K, pages 75-78 for definitions and reconciliations to GAAP (U.S. Generally Accepted Accounting Principles).
3. Based on 2023 CY industry-reported total sales.
4. For North America and the EU.
5. Light duty (vehicles under 10,000 pounds). Available as option on Super Duty XL which is a light duty vehicle.
6. Additional plants that support our Automotive segment are operated by unconsolidated joint ventures of which we are a partner. See 10-K for more information.
7. Based on 2023 CY industry-reported total sales.
8. Calculated via peak performance of the electric motors at peak battery power. Your results may vary.
9. Based on original equipment manufacturers (OEM)/ automotive manufacturers that sell all electric vehicles and have active charging networks. Department of Energy data as of January 15, 2024 used. Numbers subject to change. FordPass,® compatible with select smartphone platforms, is available via download. Message and data rates may apply.
10. Octopus Energy blog — Where does our 100% green electricity come from?
11. Xcel Energy's EVSI programs, availability of the EVSI programs and the costs covered by the EVSI Programs are subject to the Xcel Energy customer and EVSI project qualifying for, and enrolling in, an Xcel Energy EVSI program approved for that location. Not all programs are available in all of Xcel Energy's service locations, and not all Xcel Energy customers or projects will qualify. Xcel Energy EVSI program terms and conditions will apply.
12. Based on 45% highway, 55% city driving, and 15,000 annual miles.
13. Don't drive while distracted or while using handheld devices. Use voice-operated systems when possible. Some features may be locked out while the vehicle is in gear. Eligible 2024 model year vehicles receive complimentary access to three years of Alexa Built-in and one year of Lincoln Premium Connectivity Connected Service plan which begins on the New Warranty start date. Cellular networks may limit functionality and prevent operation of connected features. Android Auto™ and Apple CarPlay®: Requires phone with active data service and compatible software. In-Vehicle Digital Experience does not control third-party products while in use. Third parties are solely responsible for their respective functionality.
14. Eligible 2024 model year vehicles receive three years of complimentary access to Alexa Builtin Connected Service plan which begins on the New Vehicle Warranty start date. Access to Alexa Built-in requires an Amazon account, Lincoln Connect, activated through the Lincoln Way App (see Lincoln Way Terms for details). Some Alexa Built-in features require Lincoln Premium Connectivity Connected Service plan or Wi-Fi network. One-year complimentary service of Lincoln Premium Connectivity begins on the New Vehicle Warranty start date. Connected Service and features depend on compatible AT&T network availability. Evolving technology/cellular networks/ vehicle capability may limit functionality and prevent operation of connected features.
15. SiriusXM trial subscription will stop at the end of the trial period. Trial is non-transferable. If you do not wish to enjoy your trial, cancel by calling the number below. Service subject to the SiriusXM Customer Agreement and Privacy Policy; visit www.siriusxm.com for full terms and how to cancel which includes online methods or calling 1-866-635-2349. Services, content, and features are subject to device capabilities, location availability, or active data connection. Fees, content, and features are subject to change. Available in the 48 contiguous United States, D.C., and Puerto Rico (with coverage limits and capable receiver). Visit listenercare.siriusxm.com for most current service area information. Radio features, content, and display may vary by vehicle. Some features may not be available while driving.
16. Lincoln Connect, the Lincoln Way App, and complimentary Connected Service are required for remote features, including over-the-air updates (see Lincoln Way Terms for details). Lincoln Way App is available via a download; message and data rates may apply. Connected Service and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected Service excludes Wi-Fi hotspot.
17. This feature is currently only available for Mustang Mach-E owners that meet the following criteria: 2022 Model Year (MY) and newer 2021 MY with the following SYNC®** software versions (see Checking Your SYNC 4A Software Version): 21281_PRODUCT.244, 22028_PRODUCT.358, 22034_PRODUCT.364 A minimum iOS version of 15.4.
18. Data not available with plugin devices from third-party providers.
19. Available Feature. BlueCruise requires a Connected Service plan, FordPass® App, or Lincoln Way® App, and modem activation. Equipped vehicles come with either a 90-day trial or a 2-year, 3-year, or 4-year BlueCruise Connected Service plan, after which purchase is required. See ford.com/bluecruise or your Lincoln retailer for more details. BlueCruise driver-assist features are supplemental and do not replace safe driving or driver's attention, judgment and need to control the vehicle. Only remove hands in a Hands-Free Blue Zone. Always watch the road and be prepared to resume control. See Owner's Manual for details and limitations.
20. The overall increase in our absolute greenhouse gas (GHG) emissions from our preliminary results reported in our Integrated Report in 2022 was primarily due to a change in methodology where we increased the emissions scope to include the rest of world, unregulated regions and fleets.
21. The participation of Ford España, S.L. in Ford Mexico Holdings LLC has been reduced from 100% that it had until October 31, 2022 to 6.11% since November 1, 2022, with the other new shareholder of Ford Mexico Holdings LLC, the U.S. company Ford International Capital LLC, holding 93.89% of its shares.
22. According to Articles 19a or 29a of Directive 2013/34/EU, as transposed in Spain by Article 49, paragraphs 1, 5, 6, 7 and 8 of the Spanish Commercial Code, as well as by Article 262.5 of the Spanish Capital Companies Act.
23. Automotive sectoral pathway for 1.5°C is currently not available.
24. The Scope 3 target covers vehicle use in the U.S., EU and UK, and China, representing the main regions where we operate.
25. FVV Fuel Study IV: Future Fuels
26. Lower-carbon electricity sources are needed for sustainable e-fuels.

Footnotes and Disclaimers
— continued

27. The 2023 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/ and weighted 43% city, 57% highway to get real-world combined kWh/100 mile, following the 2022 U.S. EPA Automotive Trends Report methodology (epa.gov/automotive-trends): F-150 Lightning Platinum (ext. range) 51.2 kWh/100 miles and Mustang Mach-E RWD (base range) 33.2 kWh/100 miles.

28. The estimated city and highway kWh/100 miles for E-Transit (130-inch wheelbase, low roof) were analytically derived using models based on EPA test procedures and calculations for lightduty 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 Automotive 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.

29. The U.S. average grid emissions are 416g CO_2e/kWh, which includes emissions from electricity generation, upstream emissions for fuel feedstock production, and transmission losses. Ref. 2022 U.S. EPA Automotive Trends report (epa.gov/automotive-trends).

30. The comparable internal combustion engine vehicle (ICEV) MPG are the preliminary 2022 model year segment-average real-world values for Car SUV (262g CO_2/mile) and pickup (442g CO_2/mile), from the 2022 U.S. EPA Automotive Trends report (epa.gov/automotive-trends).

31. Estimated city and highway MPG for ICEV Transit (130-inch wheelbase, low roof) were 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 17.0 MPG (523g CO_2/mile). 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.

32. Lifetime carbon dioxide (CO_2) emissions are calculated on a well-to-wheels basis, including CO_2 from the ICEV tailpipe, ICEV fuel production, and EV electricity production.

    32a. Tailpipe (tank-to-wheels) CO_2 emissions are calculated from MPG by dividing 0.008887 metric tons CO_2/gallon gasoline (EPA Automotive Trends Report) by the vehicle MPG and multiplying by the lifetime miles.

    32b. Fuel production CO_2 emissions (well-to-tank) are calculated by multiplying the tailpipe CO_2 by 0.25, following the 2022 U.S. EPA Automotive Trends Report methodology (epa.gov/automotive-trends).

    32c. Electricity production CO_2 emissions are calculated by multiplying the EV kWh/100 miles by the electric grid CO_2-intensity 0.000416 metric tons CO_2e/kWh and multiplying by the lifetime miles.

    32d. 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).

33. The CO_2 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_2 per gallon of gasoline consumed. (epa.gov/energy/greenhouse-gas-equivalenciescalculator).

34. https://www3.weforum.org/docs/WEF_First_Movers_Coalition_Impact_Brief_2024.pdf

35. Excerpts from "International Energy Agency I World Energy Outlook 2022 & 2023", Chapter 2.

36. International Energy Agency I World Energy Outlook 2023, pp. 91-92, 295.

37. Riahi, K., Rao, S., Krey, V. et al. RCP 8.5—A scenario of comparatively high greenhouse gas emissions. Climatic Change 109, 33 (2011). https://doi.org/10.1007/s10584-011-0149-y

38. According to the EU End-of-Life Vehicle Directive. For North America and the EU.

39. Formal due diligence can be defined as in accordance with OECD due diligence for responsible supply chains of minerals from CAHRAs.

40. Other includes recyclers and suppliers type unidentified.

41. Driver-assist features are supplemental and do not replace the driver's attention, judgment and need to control the vehicle. Pre-Collision Assist with Automatic Emergency Braking detects pedestrians, but not in all conditions, and can help avoid or reduce a collision. It does not replace safe driving. See Owner's Manual for details and limitations.

42. https://www.noheatstroke.org/

43. Per 2023 J.D. Power 2023 Initial Quality Study (IQS) (dated 6/20/23, released 6/22/23) a. Models in IQS "Top 3": https://www.jdpower.com/business/press-releases/2023-us-automotive-performance-execution-and-layout-apeal-study

44. Per 2023 J.D. Power 2023 U.S. Automotive Performance, Execution And Layout (APEAL) Study (dated 7/18/23, released 7/20/23) https://www.jdpower.com/business/press-releases/2023-us-automotive-performance-execution-and-layout-apeal-study

45. Based on U.S. 2023 Q3 YTD data. Ford Mobile Service is offered by participating dealers and may be limited based on availability, distance, or other dealer-specified criteria. Does not include parts or repair charges.

46. Rebuild by Design "Atlas of Disaster" www.rebuildbydesign.org/atlas-of-disaster

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