Welcome to the 16th annual nonfinancial report of Ford Motor Company. We’re proud of how we have been transforming our company – from the vehicles we make to the way in which we make them.

“Without question, we are embarking on one of the most transformative periods in our history. We understand that the winners will be the innovators, the disruptors and those willing to break with tradition and find new solutions.”

“At Ford, contributing to a better world is part of our DNA and second nature.”

Letter from William Clay Ford, Jr. and Mark Fields

Letter from Kim Pittel

Fuel Economy

U.S. Corporate Average Fuel Economy, Combined Car and Truck Fleet (miles per gallon)

IMPROVED

Letter from William Clay Ford, Jr. and Mark Fields

Letter from Kim Pittel
1. In 2014, the average fuel economy of our U.S. car fleet and U.S. truck fleet both remained unchanged compared to 2013. However, our combined corporate average fuel economy improved by about 2 percent due to increased customer demand for cars versus trucks. Our combined fleet CO₂ emissions improved by 9 percent compared to 2009.

Vehicle Safety

U.S. New Car Assessment Program (NCAP) Five-Star Overall Vehicle Scores (percent of Ford Motor Company vehicles tested that achieved five stars, by model year)

Supply Chain

Total Supplier Sites Trained / Retrained in Sustainability Management (cumulative, since 2005)
CO₂ Emissions

IMPROVED

Worldwide Facility CO₂ Emissions per Vehicle Produced (metric tons)

0.86

DECLINED

Pre-Tax Profits (excluding special items) ($ billion)

Financials

DECLINED
**Employee Satisfaction**

**Employee Satisfaction Index (percent satisfied)**

- 2012: 71
- 2013: 75
- 2014: 76

**Water Use**

**Global Water Use per Vehicle Produced (cubic meters)**

- 2012: 7.9
- 2013: 8.6
- 2014: 6.3
Read highlights of some of the key events for Ford during 2014.

> Map of Our Year

We have set goals, commitments and targets for many of our material issues and other important performance areas.

> Goals and Progress

In all of our regions, we are taking actions to reduce the environmental impact of our products and facilities, support positive social change and ensure economic viability for long-term growth.

> Ford Around the World
It has been 15 years since we published our first report addressing the economic, environmental and social impacts of our products and operations around the world. During that time, throughout a variety of economic conditions, business cycles and social transformations, we have been reporting on the progress of our sustainability efforts.

We’re proud of how we have been transforming our company, from the vehicles we make to the way in which we make them. From water use to human rights to carbon dioxide emissions, we have moved forward and made substantial progress toward a suite of goals and commitments we have set for ourselves.

Between 2000 and 2014, for example, we cut our total global water use by 62 percent, or more than 10 billion gallons, and achieved our original water-reduction goal two years ahead of schedule.

More than 10 years ago, we introduced the world's first hybrid SUV, and today we remain committed to offering customers the “power of choice” for fuel efficiency. In early 2015, we built our 5 millionth EcoBoost®-powered gasoline vehicle. Our fuel-saving EcoBoost technology is now available in every region where we operate and offered on more than 80 percent of our global nameplates.

“At Ford, mobility is about far more than motion. It is really about progress. Human progress.”

Mark Fields
We also have led our industry in groundbreaking work to reduce environmental impacts, and we were the first automaker to take on the issue of human rights to enhance working conditions in the supply chain.

Our efforts were acknowledged in 2014 when we were named by Interbrand as the Best Global Green Brand in the world – the number one company not just in the automotive industry but among all types of businesses. Further validation came in 2015 when we were named to the Ethisphere Institute’s list of the World’s Most Ethical Companies for the sixth year in a row, the only automaker to earn the recognition in each of the last six years.

We are honored to receive these recognitions. Nonetheless, we know our sustainability journey is far from over, and we are determined to go further, particularly as our industry is evolving faster than ever before.

**Our Priorities**

As we build on our strong foundation and continue to transform to meet the needs of the future, we are driven by three priorities:

- Accelerating our pace of progress on the One Ford plan
- Delivering product excellence with passion
- Driving innovation in every part of our business

Ford is a growth company in a growing global industry. The past five years mark one of the most consistently profitable periods in our recent history, and we are poised to accelerate our progress in all areas of our business.

We also are a proven innovator, in a period of swift technological advancement. Already, technology has enabled rapid evolution in our vehicles. However, revolutions in connectivity and technology, as well as the changing needs and desires of our customers, are opening avenues for entirely new ways of thinking about our business. It’s not only about cars and trucks. It’s about helping people and things move seamlessly and efficiently using all available modes of transportation.

**Ford Smart Mobility**

In 2012, we announced our Blueprint for Mobility, which defines our vision for what transportation will look like in 2025 and beyond, and the technologies, business models and partnerships needed to get there. Our plan outlines a future of connected cars that communicate with each other and the world around them to make driving safer, ease traffic congestion and sustain the environment. We already have put in place many of the building blocks of this future.

“Growing up, there was something almost heroic about the car. The automobile represented possibility. I think we are there again.”

Earlier this year, we introduced Ford Smart Mobility, which is our plan to operationalize that vision and use innovation to take Ford to the next level in connectivity, mobility,
autonomous vehicles, the customer experience and big data. We also announced more than 25 mobility experiments around the world to test breakthrough transportation ideas to create better customer experiences, more flexible ownership models and social collaboration that can reward customers. You can find more details on the exciting experiments we are conducting, as well as the global megatrends that are driving our thinking, elsewhere in this report.

We’re pursuing Ford Smart Mobility in line with our bedrock conviction that the benefits of breakthrough technologies should be democratized. Our goal is to make connectivity, mobility and autonomous vehicles accessible to millions of people – not just a select few.

**Changing the Way the World Moves**

Without question, we are embarking on one of the most transformative periods in our history.

We understand that the winners will be the innovators, the disruptors and those willing to break with tradition and find new solutions. That’s why we are pushing ourselves even harder to think, act and disrupt like a startup company.

We are driving to be both a product company and a mobility company. Our vision is nothing less than to change the way the world moves.

At Ford, we view this as the ultimate opportunity. In fact, it is as big of an opportunity as when our founder put the world on wheels more than a century ago. Henry Ford believed that a good business makes excellent products and earns a healthy return. But he proved that a great business does all that while creating a better world.

That is what continues to drive us each day.

Our Blueprint for Sustainability, which focuses on our products and global environmental footprint, brings to life our pledge to build a strong business, deliver great products and create a better world – and to make this pledge relevant in a future that will be very different from the past.”

William Clay Ford, Jr.
Executive Chairman

Mark Fields
President and Chief Executive Officer

↑ back to top
Letter from Kim Pittel

I became vice president, Sustainability, Environment and Safety Engineering in January 2015. During my 30 years with Ford, I have worked in Manufacturing, Product Development, Quality and Purchasing.

I know our key processes and understand what sustainability means in practice to different functions in the company, whether it's incorporating innovative fuel-saving technologies into our vehicles, installing the latest water-saving systems in manufacturing facilities or training our Purchasing teams to spot potential human rights concerns in supplier factories.

Ford has made tremendous strides in sustainability through the years, and I intend to build on those successes. The challenges and opportunities we face as a company, and as a society, are vast. Effectively managing the use of water and transitioning to low-carbon energy sources are increasingly important to developed and emerging economies alike. We must do our part to address these challenges. By collaborating with governments, communities, other automakers and our supply base, we are leveraging partnerships to make more progress, faster.

My priorities – vehicle safety, fuel economy and CO₂ emissions – are no different from those who held this position before me. I also am pushing us to develop better solutions to the use of land, energy and water resources. Of course, the economic sustainability of this company is itself a priority and an integral part of sustainability. We must ensure that Ford is around for the next 100 years.

*Maintaining a zero-defect mindset leads to improved quality, reduced emissions and optimized use of critical resources.*

I bring a somewhat unique perspective to this effort – what I call a zero-defect mindset. When I worked in the Quality function, for example, everyone knew that the goal was zero defects. If you don't set zero as your target, you'll never approach it. I'm a firm believer in setting aspirational goals and working to get there over time. I have brought that same perspective to the Sustainability function. Maintaining a zero-defect mindset leads to improved quality, reduced emissions and optimized use of critical resources. In short, it results in a more sustainable business.

I also want to deepen our integrated sustainability approach by engaging our entire workforce of 187,000 people and reaching the heart of every employee. All of our people should know that they're a part of sustainability, no matter what job they do each day. We have pockets of excellence, but we have more work to do to leverage all employees and
have everyone understand how they contribute toward a more sustainable Ford. This transformation won’t happen overnight. Over the course of a few years, everyone will know their roles, and we’ll have the processes and plans in place to deliver on our sustainability commitment.

Engaging employees in sustainability also responds to a key challenge our industry is facing – the global shortage of talented students entering science, technology, engineering and mathematics (STEM) fields. Young people are looking for a sense of purpose in their work, and an organization in which sustainability is the job of all employees – not just a few – can offer that purpose. Developing talent and building a workforce engaged in sustainability are key components of our future success and of our value proposition as an employer.

At Ford, contributing to a better world is part of our DNA and second nature. I’m excited to be driving our sustainability agenda forward to Go Further – The Right Way.

Kim Pittel
Vice President, Sustainability, Environment and Safety Engineering
Map of Our Year

The graphic below highlights some of the key events for Ford during 2014.

Explore our highlights:

- Financial Results
  - Announced pre-tax operating profit of $8.6 billion (excluding special items), among the best in our history.

- Advancing Automated Driving
  - Launched new automated driving research projects with the Massachusetts Institute of Technology and Stanford University.

- New F-150
  - Unveiled the new 2015 F-150 with an aluminum body that shaved 700 pounds off the weight of the truck.

Top Safety Ratings for Focus
- The 2014 Ford Focus maintained top marks
Most Awarded Brand
Earned the most awards of any domestic automaker and any single brand in U.S. News & World Report’s 2014 Best Cars for the Money. For Ford Edge and Ford Fusion Hybrid, this made three consecutive wins in the two-row midsize sport utility vehicle and hybrid categories, respectively. Ford Fiesta won two awards, earning best value among both subcompact and hatchback cars.

Ford Talent Center
Established a dedicated Ford Talent Center for salaried employees in Dearborn, Michigan. The center allows Ford to provide better interview experiences for potential hires while showcasing our history, products and location in southeast Michigan.

March
Profit-Sharing Payments
Paid record profit-sharing payments of approximately $8,800 per eligible employee to about 47,000 U.S. hourly employees.

Volunteering for Children and Families
Enlisted hundreds of Ford employees for a day of community service to support children and families. Ford Motor Company Fund provided $57,000 in grants to purchase tools and supplies for the volunteer projects on March 13.

Electric Vehicle Charging Network
Began construction of one of Michigan’s largest solar arrays at Ford World Headquarters. Funded by DTE Energy, the project will include a solar-topped carpark to provide employees with covered parking spaces and charging stations for plug-in electric vehicles.

Top Safety Ratings for Explorer
The 2014 Ford Explorer maintained top marks in the federal government’s new car safety rating program. Both front-wheel-drive and all-wheel-drive models earned five-star Overall Vehicle Scores in the National Highway Traffic Safety Administration’s New Car Assessment Program.

April
May

Building a Smarter and Greener Fleet
Unveiled the Ford Fleet Purchase Planner™, a new tool that helps businesses build a fleet of vehicles with an eye toward cost and environmental concerns.

Another Five-Star Safety Rating
The National Highway Traffic Safety Administration awarded the 2014 Ford Transit Connect Wagon a five-star Overall Vehicle Score in its New Car Assessment Program.

Celebrating 10 years of Sustainable Manufacturing
Celebrated 10 years of sustainable manufacturing at the Dearborn Truck Plant as it prepared to build the all-new 2015 Ford F-150.

Supplier World Excellence Awards
Recognized 51 global suppliers with World Excellence Awards, including two suppliers for their sustainability performance: Laird Technologies and Maersk Lines.

June

You Say Tomato, We Say Tom-Auto
Announced research collaboration between Ford and H.J. Heinz Company to explore the use of tomato fiber to develop a more sustainable bio-plastic material for vehicles.

New Airbag Designs
Revealed the automotive industry’s only five-row side-curtain airbag – the largest in any Ford vehicle – on the 2015 Ford Transit 15-passenger wagon. Also introduced an all-new inflatable airbag restraint design that provides the front seat passenger in a Ford Mustang with knee airbag protection.
Lightweight Automotive Design
Unveiled our Lightweight Concept vehicle, which uses advanced materials to cut the weight of a Ford Fusion by 25 percent and improve performance and fuel efficiency while reducing carbon dioxide emissions.

Environmental Volunteerism
More than 500 Ford employees participated in community environmental projects for nonprofit partners as part of a Ford Accelerated Action Day. Ford Motor Company Fund also provided $46,000 in grants to purchase tools and materials for the June 5 volunteer projects.

Top Ranking in Best Global Green Brands
Ranked No. 1 on Interbrand's 2014 list of the 50 Best Global Green Brands. Ford claimed the top spot for our forward-thinking approach to environmentally responsible and sustainable manufacturing, greater transparency about business operations, and disclosure of information, particularly in the area of manufacturing.

New CEO
Mark Fields succeeded Alan Mulally as president and CEO.

Product Acceleration in Middle East & Africa
Announced an aggressive product acceleration in our newest business unit, Middle East & Africa. Pledged to launch at least 25 new vehicles by 2016 to Middle East & Africa and confirmed that several additional vehicles from our global portfolio will come to the region in the near term – including the iconic Ford Mustang.

$1 Million Donation
Announced we will donate $1 million to the Smithsonian National Museum of African American History and Culture. The donation from Ford Motor Company Fund, the company's philanthropic arm, will support the museum's capital campaign.

Global LED Lighting Program
Began installation of LED lighting at the...
Dearborn Truck Plant as part of our program to invest more than $25 million in energy efficient LED lighting at manufacturing facilities across the globe. The new lighting is estimated to cut energy consumption by 70 percent compared to traditional technologies.

**Michigan’s Largest Solar Array**
Launched a solar array project, funded by DTE Energy, that will provide employees with 360 covered parking spaces and 30 charging stations for plug-in electric vehicles such as the Ford Fusion Energi and C-MAX Hybrid Energi.

**2015 Ford Mustang Begins Production**
The all-new Ford Mustang rolled off the line at Flat Rock Assembly Plant, marking the start of production of the sixth-generation pony car. For the first time in its 50-year history, Mustang will be available globally to customers in more than 120 countries around the world.

**Zero Waste-to-Landfill Manufacturing in Canada**
Achieved zero waste-to-landfill status at the Oakville Assembly Plant, giving Ford the distinction of becoming landfill-free in all manufacturing facilities in Canada.

**Ninth Annual Global Week of Caring**
More than 13,000 Ford employees, retirees and dealers worked on 310 community service projects in 26 countries for the ninth annual Ford Global Week of Caring.

**UAW Job Commitment**
Fulfilled our commitment to the UAW to create 12,000 U.S. hourly jobs by 2015, announcing 1,200 new jobs and a second shift at Kansas City Assembly Plant, where the all-new Ford Transit is built. In total, Ford has created 14,000-plus hourly jobs in the United States since 2011.

**New STEM Scholarship Program**
Launched the Ford Blue Oval STEM Scholarship Program, which will provide $500,000 in scholarships over four years to
Expanding Our Commitment to Education

Announced more than $1 million in new scholarships, grants and career outreach programs launched by the Ford Fund, on top of the approximately $8 million we invest in education each year.

Expanding Vehicle Safety and Driver Assistance Technologies

Announced Pre-Collision Assist with Pedestrian Detection, a technology that provides a collision warning to the driver and, if the driver does not respond in time, can automatically apply the vehicle brakes. The new system will debut on the 2015 Ford Mondeo in Europe.

50 students pursuing qualifying STEM (science, technology, engineering and math) degrees.

30th Anniversary of High School Science and Technology Program

Celebrated more than 10,000 participants completing the Ford High School Science and Technology Program to date. Some of these participants continued on in Ford’s internship program and are now Ford employees.

Clean Energy Pilot Program

Announced a pilot program to install wind sail and solar panel systems at four Ford dealerships in collaboration with Wind Energy.

Customer Interest for F-150 at Record Levels

Started production of the 2015 Ford F-150 at the Ford Rouge Center, which was transformed with the latest in manufacturing technology to build the first mass-produced truck in its class featuring a high-strength, military-grade, aluminum-alloy body and bed.

Partnership for a Cleaner Environment

Launched a new environmental supply chain sustainability initiative – the Partnership for A Cleaner Environment (PACE) – to reduce the collective environmental footprint of Ford and our automotive supply chain.

Chief Data and Analytics Officer

Appointed Ford Motor Company’s first chief data and analytics officer – the first of the

Glassdoor Employees’ Choice Award

Received a Glassdoor Employees’ Choice
January 2015

**Ford Smart Mobility**
Announced a series of experiments that will help us address mobility needs. Ford Smart Mobility is our plan to use innovation to take Ford to the next level in connectivity, mobility, autonomous vehicles and big data.

**New Silicon Valley Research Center**
Invested in a new facility in Palo Alto, California, to further supplement our technical and geographic diversity as we focus on innovation and competition in mobility.

**Fighting Hunger**
Hundreds of Ford employees volunteered to feed those in need in their local communities. The Ford Motor Company Fund provided more than $91,000 in grants to purchase supplies for the day's projects, building on $1.3 million in financial support, grants, vehicles and other assistance Ford and Ford Fund donated for hunger relief earlier in the fall.

**Employment Growth**
Employed approximately 187,000 individuals globally at the end of the year – 6,000 more than at the end of 2013.

**Record Year in China**
Achieved record market share in Asia Pacific and sold more than 1 million vehicles in China for the first time.

**Profits**
Reported 2014 full-year pre-tax profit, excluding special items, of $6.3 billion – the company's fifth consecutive year of both profitability and positive Automotive operating-related cash flow.

**Innovation in Aerodynamics, Ecoboost® and Lightweighting**
Unveiled the all-new GT, an ultra-high-performance supercar that serves as a technology showcase for top EcoBoost® performance, aerodynamics and lightweight carbon fiber construction.

**SEC Conflict Minerals Reporting**
Successfully filed our first conflict minerals report in compliance with the reporting requirements of the U.S. Securities and Exchange Commission (SEC).

**Award for Best Places to Work for 2015**
Based on feedback from employees. Ford was ranked 35th of the top 50 companies by Glassdoor and was the highest-ranking automotive company in the large company category to receive this honor.
Performance Summary

Below is a summary of our key performance data.

Please also see About This Report for discussion of data parameters as well as the pages containing Financial Health Data, Product Quality and Safety Data, Climate Change and the Environment Data, People Data, Supply Chain Data, and Communities Data for additional indicators, five-year trends and notes on data assurance.

### FINANCIAL HEALTH

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax profits (excluding special items), $ billion</td>
<td>7.9</td>
<td>8.6</td>
<td>6.3</td>
</tr>
</tbody>
</table>

### PRODUCT QUALITY AND SAFETY

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Quality Research System “things gone wrong” (3 months in service), total “things gone wrong” per 1,000 vehicles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>1,514</td>
<td>1,650</td>
<td>1,392</td>
</tr>
<tr>
<td>South America</td>
<td>1,416</td>
<td>1,724</td>
<td>1,472</td>
</tr>
<tr>
<td>Europe</td>
<td>1,573</td>
<td>1,302</td>
<td>1,302</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>860</td>
<td>941</td>
<td>917</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>1,535</td>
<td>1,311</td>
<td>1,046</td>
</tr>
</tbody>
</table>

Global Quality Research System customer satisfaction (3 months in service), percent satisfied

<table>
<thead>
<tr>
<th></th>
<th>North America</th>
<th>South America</th>
<th>Europe</th>
<th>Asia Pacific</th>
<th>Middle East &amp; Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>79</td>
<td>65</td>
<td>68</td>
<td>67</td>
<td>69</td>
</tr>
</tbody>
</table>

U.S. safety recalls, number per calendar year (including legacy vehicles on the road for 10+ years)

|                          | 24            | 16            | 40     |

U.S. units recalled, number of units (including legacy vehicles on the road for 10+ years)

|                          | 1,399,000     | 1,188,000     | 4,866,770 |

Percent of Ford nameplates achieving five-star U.S. New Car Assessment Program (NCAP) Overall Vehicle Score (OVS) (percent of Ford Motor Company)

|                          | 32            | 41            | 65     |
### CLIMATE CHANGE AND THE ENVIRONMENT

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ford U.S. fleet fuel economy, combined car and truck, miles per gallon (higher mpg reflects improvement)</strong></td>
<td>30.0</td>
<td>29.5</td>
<td>30.1</td>
</tr>
<tr>
<td><strong>Ford U.S. fleet CO₂ emissions, combined car and truck, grams per mile (lower grams per mile reflects improvement)</strong></td>
<td>297</td>
<td>302</td>
<td>297</td>
</tr>
<tr>
<td><strong>Ford Europe CO₂ tailpipe emissions per passenger vehicle, grams per kilometer (phase-in of percent best-CO₂-performing vehicles; based on production data for European markets)</strong></td>
<td>116</td>
<td>111.5</td>
<td>113.9</td>
</tr>
<tr>
<td><strong>Worldwide facility energy consumption, billion kilowatt hours</strong></td>
<td>14.3</td>
<td>15.2</td>
<td>14.9</td>
</tr>
<tr>
<td><strong>Worldwide facility energy consumption per vehicle, kilowatt hours per vehicle</strong></td>
<td>2,539</td>
<td>2,466</td>
<td>2,470</td>
</tr>
<tr>
<td><strong>Worldwide facility CO₂ emissions, million metric tons</strong></td>
<td>4.8</td>
<td>4.8</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Worldwide facility CO₂ emissions per vehicle, metric tons</strong></td>
<td>0.86</td>
<td>0.78</td>
<td>0.76</td>
</tr>
<tr>
<td><strong>Energy Efficiency Index, percent (higher percentage reflects improvement)</strong></td>
<td>6.4</td>
<td>17.0</td>
<td>21.0</td>
</tr>
<tr>
<td><strong>Global water use, million cubic meters</strong></td>
<td>23.7</td>
<td>24.9</td>
<td>24.1</td>
</tr>
<tr>
<td><strong>Global water use per vehicle produced, cubic meters</strong></td>
<td>4.23</td>
<td>4.04</td>
<td>3.99</td>
</tr>
</tbody>
</table>

### OUR PEOPLE

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lost-time case rate by region (per 100 employees; cases with one or more days away from work per 200,000 hours)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>0.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>South America</strong></td>
<td>0.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>0.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Asia Pacific</strong></td>
<td>0.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Middle East &amp; Africa</strong></td>
<td>0.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employee satisfaction, Pulse survey, overall, percent satisfied</strong></td>
<td>71</td>
<td>75</td>
<td>78</td>
</tr>
<tr>
<td><strong>Overall dealer attitude, Ford, relative ranking on a scale of 1–100 percent (winter/summer score)</strong></td>
<td>84/83</td>
<td>84/85</td>
<td>85/85</td>
</tr>
<tr>
<td><strong>Overall dealer attitude, Lincoln, relative ranking on a scale of 1–100 percent (winter/summer score)</strong></td>
<td>68/67</td>
<td>76/78</td>
<td>77/77</td>
</tr>
</tbody>
</table>

### SUPPLY CHAIN

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total supplier sites trained/retrained in sustainability management (cumulative, since 2005)</strong></td>
<td>2,437</td>
<td>2,670</td>
<td>2,948</td>
</tr>
<tr>
<td><strong>Assessments to date</strong></td>
<td>811</td>
<td>915</td>
<td>990</td>
</tr>
<tr>
<td><strong>Training cascade to workforce, individuals trained</strong></td>
<td>430,257</td>
<td>488,472</td>
<td>559,755</td>
</tr>
</tbody>
</table>

### COMMUNITIES

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ford Motor Company Fund contributions, $ million</strong></td>
<td>21.6</td>
<td>26.3</td>
<td>30.2</td>
</tr>
<tr>
<td><strong>Corporate contributions, $ million</strong></td>
<td>8.5</td>
<td>11.4</td>
<td>15.4</td>
</tr>
</tbody>
</table>
1. We no longer report overall quality data for all global regions combined. Quality performance is dependent on regional operations. Therefore we will only report regional quality data moving forward. "Things gone wrong" and customer satisfaction data are based on model years.

2. The increase in safety recalls from 2013 to 2014 was due in part to the U.S. National Highway Traffic Safety Administration (NHTSA) expanding its definition of safety defects, which has led to the highest number of safety recalls in the U.S. across all auto manufacturers.

3. In 2014, the average fuel economy of our U.S. car fleet and U.S. truck fleet both remained unchanged compared to 2013. However, our combined corporate average fuel economy improved by about 2 percent due to increased customer demand for cars versus trucks. Our combined fleet CO2 emissions improved by 9 percent compared to 2009.

4. Only 65 percent of the best-CO2-performing fleet vehicles are accounted for in the 2012 "phase-in" data as part of the European Commission's (EC) phase-in plan.

5. For 2013, final official data from the EC was published October 2014 for passenger cars (vehicle category M1). Only 80 percent of the best-CO2-performing fleet vehicles are accounted for in 2013 "phase-in" data as part of the EC's phase in plan.

6. 2014 values are preliminary data published by the EC. Official data will be published by the EC in the fourth quarter of 2015. For more information, see the data performance page.

7. Energy data for 2013 has been restated to include Ford's Hermosillo Stamping and Assembly Plant, which was inadvertently excluded from the calculation in our prior year's report.

8. Total energy use per vehicle deteriorated slightly in 2014 compared to 2013 (it increased by 0.2 percent) due to production changes, an increased number of operating facilities and colder weather, which increases the related energy demands.

9. The Energy Efficiency Index is a normalized indicator of energy used in our manufacturing facilities per vehicle produced based on a calculation that adjusts for typical variances in weather and vehicle production. The Index is set at 100 for the baseline year to simplify tracking annual improvements. The year 2012 improvement indexed against the year 2011 baseline was 6.4, indicating a 6.4 percent improvement in global energy efficiency per vehicle from 2011 to 2012. Higher percentage reflects improvement. The year 2014 improvement indexed against the year 2011 baseline was 21, indicating a 21 percent improvement.

10. 2014 is the first year that we have reported the lost-time case rate broken down by region. Previously, this data was reported as an overall global total.
Goals and Progress

This table summarizes Ford's goals, commitments, targets and progress in our material issue areas and other important performance areas. Please see the data sections for our complete data reporting and data notes.

Key:
- ✔️ Achieved
- 🔄 On track
- ❗️ In process
- ❌ Not on track

### MOBILITY

<table>
<thead>
<tr>
<th>Goal/Commitment</th>
<th>2014 Progress</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set new goals under &quot;Blueprint for Mobility&quot; in early 2012.</td>
<td>Kicked off a series of mobility experiments as part of Ford Smart Mobility, our plan to deliver our vision for meeting mobility needs.</td>
<td>🔄</td>
</tr>
</tbody>
</table>

Also see:
- Mobility

### PRODUCT QUALITY AND SAFETY

<table>
<thead>
<tr>
<th>Goal/Commitment</th>
<th>2014 Progress</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design and manufacture vehicles with safety excellence focused on real world safety and offer innovative safety and driver assist technologies.</td>
<td>For the 2015 model year, earned the highest possible Overall Vehicle Score of five stars in the New Car Assessment Program (NCAP) of the U.S. National Highway Traffic Safety Administration (NHTSA) for 15 Ford Motor Company vehicles. In the 2014 Euro NCAP assessments, earned a five-star safety rating for the Ford Mondeo. Launched the new Pre-Collision Assist with Pedestrian Protection feature on the 2015 model year Mondeo.</td>
<td>✔️</td>
</tr>
</tbody>
</table>

Also see:
- Accident Avoidance and Driver Assist Technologies

Meet or exceed all regulatory requirements for safety. Continued to meet this goal in 2014. Ford's internal Safety Design Guidelines and other internal standards go beyond stringent regulatory requirements. Ford often establishes internal...
standards on emerging issues long before public
domain or regulatory standards are adopted.

Also see:
> Vehicle Safety

Provide information, educational programs and
advanced technologies to assist in promoting safe
driving practices.

Continued to invest in Ford Driving Skills for Life
(DSFL). Since launching the program in Europe in
2013, we’ve provided free, hands-on training to 6,100
young drivers in Belgium, France, Germany, Italy,
Romania, Russia, Spain and the U.K. through more
than 130 events. In the U.S., Ford DSFL focuses on
teen drivers through five signature programs. In 2014
the Ford DSFL U.S. National Tour reached out to
more teens, parents and educators than ever before
and included nearly 40 days of hands-on training. In
our Asia Pacific markets, Ford DSFL is aimed at
novice drivers of all ages. Approximately 15,000
drivers in this region were trained in 2014. In the
Middle East and Africa, we launched the program in
2012 in Dubai and the United Arab Emirates and
expanded it to Saudi Arabia in 2014.

On the technology side, MyKey, Ford’s innovative
technology designed to help parents encourage their
teenagers to drive more safely, is now in more than 9
million Ford and Lincoln vehicles on the road in the
U.S. and is available on nearly all Ford Motor
Company retail vehicles in North America.

Also see:
> Encouraging Safer Driving

Play a leadership role in vehicle safety and driver
assist research and innovation.

In December 2013, unveiled a Ford Fusion Hybrid
automated research vehicle that is enabling us to
further test current and future sensing systems and
driver assist technologies.

Continued to collaborate with other automotive
companies on precompetitive safety projects to
enhance the safety of the driving experience and
develop future technologies, such as through the U.S.
Council for Automotive Research.

And, continued to collaborate with university
partners on a wide range of research projects,
including research into advanced safety
technologies. In 2014, awarded 31 new University
Research Program grants to 21 universities around
the globe.

Also see:
> Accident Avoidance and Driver Assist Technologies – Collaborative Research
> Occupant Protection Technologies – Collaborative Research

Play a leadership role in research relating to
“connected vehicles.”

Continued to participate in several multi-stakeholder
research projects relating to connected vehicles,
including the Crash Avoidance Metrics Partnership
and the Vehicle Infrastructure Integration
Consortium in the U.S., and DRIVE C2X and AdaptIVe
Do our share to stabilize carbon dioxide (CO$_2$) concentrations in the atmosphere at 450 ppm, the level generally accepted as that which avoids the most serious effects of climate change.

<table>
<thead>
<tr>
<th>Goal/Commitment</th>
<th>2014 Progress</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change – Products</td>
<td>Increased our U.S. combined car and truck fleet-average fuel economy by 2 percent in 2014, compared with 2013. $^2$</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduced the average CO$_2$ emissions of our European car fleet by approximately 18 percent from the 2006 to 2014 calendar years.</td>
<td></td>
</tr>
<tr>
<td>Climate Change – Manufacturing</td>
<td>Followed through on this commitment with vehicles introduced in all our regions.</td>
<td></td>
</tr>
<tr>
<td>Environment – Products</td>
<td>Since 2011, all vehicles produced in North America have soy foam seating.</td>
<td></td>
</tr>
</tbody>
</table>

Use soy foam seat cushions and backs on 100 percent of Ford vehicles manufactured in North America.

Use at least 25 percent recycled content in seat fabrics.

Also see:
- Climate Change – Products
- Vehicle Fuel Efficiency and CO$_2$ Emissions Progress and Performance

- Climate Change – Manufacturing
- Worldwide Facility CO$_2$ Emissions per Vehicle
- Operational Energy Use and Greenhouse Gas Emissions

- Environment – Products
- Worldwide Facility CO$_2$ Emissions per Vehicle
- Operational Energy Use and Greenhouse Gas Emissions
fabrics on all new and redesigned vehicles sold in North America.

Continued to develop sustainable materials strategy requiring recycled plastics and textile materials for many applications globally. Continued to implement strategic principles for expanding the use of recycled and renewable materials that seek to reduce total life cycle impacts.

Also see:

- Choosing More Sustainable Materials

Increase the use of allergy-tested and air-quality-friendly interior materials.

Continued to implement specification for low-emissions and allergy-free materials, which is being migrated across product lines.

Also see:

- Improving Vehicle Interior Environmental Quality

**Environment – Manufacturing**

Reduce CO2 emissions.

(See Climate Change section of Goals table.)

Cut the amount of water used to make each vehicle by 30 percent globally by 2015, compared to 2009. Achieved this goal two years ahead of schedule. We were in the process of updating our global manufacturing water strategy in 2015 and setting a new long-term target. From 2013 to 2014 we reduced our absolute water use by 3 percent and our water use per vehicle produced by 1.25 percent.

Also see:

- Water
  - Water Use in Our Operations

Reduce waste sent to landfill by 40 percent on a per-vehicle basis between 2011 and 2016 globally. Reduced waste to landfill per vehicle produced by 19 percent compared to 2013.

Also see:

- Waste to Landfill per Vehicle
  - Waste Management


Also see:

- North America Volatile Organic Compounds Released by Assembly Facilities
  - Non-CO2 Facility Emissions

**OUR PEOPLE**

<table>
<thead>
<tr>
<th>Goal/Commitment</th>
<th>2014 Progress</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fatalities target is always zero. In 2014, for the fourth time in Ford's history, did not have an employee work-related fatality during the calendar year. Tragically, however, we did experience four fatalities of contractors – in Kansas City, Argentina, Brazil and China.

Also see:

- Workplace Safety
Serious injuries target is zero; overall goal is to attain industry competitive lost-time and drive continuous improvement; specific targets are set by business units yearly for five years into the future.

Overall, our safety record improved compared to 2013. A major safety indicator – the lost-time case rate – was at 0.38, a 14 percent improvement from the 2013 rate of 0.44.

Also see:

- Workplace Safety
- Health and Safety

### Health

Maintain or improve employee personal health status through participation in health risk appraisal and health promotion programs.

Had active personal health promotion programs in place in most regions. Our efforts are tailored to meet local health priorities and to ensure that our people receive quality health care when they need it.

Employee participation in health-risk appraisals is a core component of U.S. health benefit program. In 2014, more than 80 percent of salaried employees and retirees met the objectives of this program and increased their awareness of personal health improvement opportunities.

Also see:

- Health as a Strategic Advantage

### SUPPLY CHAIN

<table>
<thead>
<tr>
<th>Goal/Commitment</th>
<th>2014 Progress</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights and Working Conditions</td>
<td>95 percent of Production Aligned Business Framework (ABF) suppliers have an aligned code of conduct; 60 percent meet all expectations.</td>
<td></td>
</tr>
<tr>
<td>Help suppliers build their capacity to manage supplier chain sustainability issues through site-level training on human rights, working conditions and ethical business practices; require participating suppliers to cascade training information to their own employees and suppliers.</td>
<td>Conducted supplier sustainability training sessions in six countries with 280 suppliers in attendance. Also raised awareness of supply chain sustainability internally through training of new purchasing personnel and global supplier technical assistance staff.</td>
<td></td>
</tr>
<tr>
<td>Assess Tier 1 suppliers for compliance with local laws and Ford's supply chain sustainability expectations.</td>
<td>Conducted assessments at 75 supplier sites, with corrective action plans and remediation underway.</td>
<td></td>
</tr>
</tbody>
</table>

Also see:

- Working Conditions Training and Assessment Status for Supply Chain
- Supplier Training and Education
- Industry Collaboration
- Assessing Suppliers
Environmental Management

Engage with our supply chain to understand its carbon and water footprints.

Surveyed approximately 250 suppliers through the CDP Supply Chain questionnaires for water and climate change and achieved an 80 percent voluntary response rate.

Also see:

> Assessing the Environmental Impacts of Our Suppliers

Work with selected suppliers to reduce our collective environmental footprint by encouraging target setting and sharing best practices for energy and water use reductions.

Began pilot of a new environmental initiative called the Partnership for a Cleaner Environment (PACE) with 10 selected suppliers, whereby we are sharing best practices for energy, greenhouse gas emissions and water use reductions.

Also see:

> Building Supplier Capability
> Collaborating with Industry Partners

Conflict Minerals

Improve the transparency of mineral sourcing within our supply chain while improving the capacity of conflict-free smelters.

Received a conflict minerals report from 91 percent of our in-scope suppliers.

Obtained lists of smelters from 41 percent of our in-scope suppliers.

Led smelter outreach efforts resulting in 70 percent of smelters being active or compliant in the Conflict-Free Sourcing Initiative (CFSI) audit program.

Also see:

> Conflict Minerals in Our Supply Chain

Supplier Diversity

Source at least 10 percent of U.S. purchases from minority- and women-owned businesses annually.

Purchased $6.75 billion in goods and services, or 13.3 percent of our total global spend, from approximately 200 minority-owned suppliers, and $2.1 billion, or 3.4 percent of our global spend, from more than 150 women-owned businesses. This was the fifth consecutive year of improvement and exceeded our sourcing goals for both minority- and women-owned suppliers.

Also see:

> Employee Engagement and Diversity
> Supplier Diversity

---

1. For financial health related goals, please see the 10-K (pdf, 6.5Mb) for information on our 2015 full year outlook.
2. The average fuel economy of our car fleet and our truck fleet both remained unchanged compared to 2013. However, our combined corporate average fuel economy improved due to increased customer demand for cars versus trucks.

↑ back to top
Ford Around the World

Around the world, we are seeking to improve the way the world moves through innovation and efforts to improve mobility. In all of our regions, we are taking actions to reduce the environmental impact of our products and facilities, support positive social change and ensure economic viability for long-term growth. All of these actions reflect our commitment to deliver profitable growth for all, while building a better world.

We organize our business in five regional operating units: Asia Pacific, Europe, Middle East and Africa, North America, and South America.

Asia Pacific

Of all our regions, Asia Pacific has the fastest-growing automotive market. We are expanding our regional operations to meet this growing demand. In 2014, we launched eight new vehicles in the region and delivered record profits of $589 million. We have also built 10 new plants in Asia Pacific, including new vehicle assembly plants in China and India that were inaugurated in March 2015. As we continue our growth in the region, we are committed to going further the right way. We are not only building great products and a strong business; we are also working to build a better world. This commitment is reflected in part by the fuel-efficient products we are launching and the state-of-the-art, environmentally friendly technologies we are implementing in our new plants in the region.

Read more about our operations in the Asia Pacific region

Europe

We have a long history of operations in Europe; the first Ford cars were shipped to Europe in 1903 – the same year Ford Motor Company was founded. Today, we sell Ford vehicles in 50 individual markets in Europe and employ approximately 53,000 people at our wholly owned facilities in the region. As we continue to implement our European transformation plan, sustainability underpins our efforts to grow our business and deliver profitable growth for all. For example, we now have 92 models and variants in Europe with carbon dioxide (CO₂) emissions below 130 g/km. By launching exciting vehicles with advanced fuel efficiency and safety technologies, implementing environmentally efficient and cost-efficient manufacturing strategies, and continuing to invest in our employees and communities, we are ensuring our long-term business success in Europe.

Read more about our operations in Europe
Middle East and Africa

Established in 2014, Middle East and Africa is our newest business unit, but we have been selling vehicles in the region for 90 years. This region includes 67 markets in North Africa, Sub-Saharan Africa, Southern Africa and the Middle East. Many of these are fast-growth automotive markets; the total Middle East and Africa car market is expected to grow 40 percent by the end of the decade. To meet new customer demand, by 2016 we will launch 25 vehicles in the region that will offer the very best quality, fuel efficiency, safety, smart design and value, including vehicles with fuel-efficient EcoBoost® engines, SYNC® in-car connectivity, and vehicle safety technologies such as inflatable rear seat belts. As we grow Ford’s business in this region, we are staying true to our principles of being active and supportive members of the communities and the future of the Middle East and Africa region.

> Read more about our operations in the Middle East and Africa region

South America

Ford’s principal markets in South America include Brazil, Argentina and Venezuela. We employ 16,000 people and have eight manufacturing plants in the region. As we continue to implement the ONE Ford plan in South America, we are investing in a strong future for the region built on great products, a strong business and a better world. We are launching new products that offer advanced fuel-efficient technologies. For example, in 2014 we launched the all-new Ford Ka, which leads the compact and medium categories for fuel efficiency in Brazil. We also offer a hybrid electric Ford Fusion in Brazil, which is the most fuel-efficient vehicle in this market. We are also continuing to invest in our people and communities. In 2014, for example, we opened a new engine plant in Brazil, which will create 300 new direct jobs. We also continued to expand our employee health programs and increase our investments in education in local communities.

> Read more about our operations in South America

↑ back to top
Ford of Europe

Ford of Europe is responsible for producing, selling and servicing Ford-brand vehicles in 50 individual markets and employs approximately 53,000 employees at its wholly owned facilities, or approximately 67,000 people when joint ventures and unconsolidated businesses are included.

Ford of Europe operations include a Ford Customer Service Division and 23 manufacturing facilities (15 wholly owned or consolidated joint venture facilities and eight unconsolidated joint venture facilities), as well as Ford Motor Credit Company. The first Ford cars were shipped to Europe in 1903 – the same year Ford Motor Company was founded. European production started in 1911.

Performance Highlights

- In 2014, Ford posted its highest full-year market share in Europe since 2011.

- At the end of 2014, we launched the all-new Ford Mondeo in Europe. This vehicle delivers the power of choice for customers with 14 powertrain combinations, the broadest-ever Mondeo lineup. The lineup includes Ford's first gasoline hybrid electric vehicle available in Europe; three very-low carbon dioxide (CO₂) emission ECOncetic versions; and a version with the multiple-award-winning 1.0L EcoBoost® petrol engine.

- The Ford Mondeo was awarded the maximum five-star safety rating by independent crash test authority Euro NCAP in 2014. The Mondeo is also the first Ford vehicle worldwide to offer Pre-Collision Assist with Pedestrian Detection, a technology designed to detect people on the road ahead and automatically apply the brakes if the driver does not respond to warnings.

- The Ford Fiesta was the number one bestselling small car in Europe in 2014, for the third year in a row. The Fiesta features new smart technologies and seven powertrain options (both diesel and petrol) that deliver fuel economy with less than 100 grams of CO₂ per kilometer.

- Ford became the top-selling commercial vehicle brand in Europe in the first quarter of 2015.

- Also in 2015, we are completing the final part of a €2.3 billion investment – the largest ever in Spain’s auto industry – in our Valencia, Spain, manufacturing operations, transforming it into one of the world’s most advanced, flexible and productive auto plants. Ford now employs about 8,000 people at the facility, up from just below 5,000 in early 2013. Supplier operations supporting the Valencia plant’s production also have added 1,500 jobs since 2013.
Awards

- Ford's 1.0L EcoBoost engine was named 2014 International Engine of the Year by a panel of automotive journalists for an unprecedented third year running. In 2014, one out of five Ford vehicles sold in Europe was equipped with 1.0L EcoBoost. The engine is produced in Cologne, Germany; Craiova, Romania; and Chongqing, China, and is now available in 72 countries worldwide.

- The all-new Ford Mondeo received the maximum five-star safety rating from Euro NCAP. As noted above, it is also the first Ford vehicle in the world to offer Pre-Collision Assist with Pedestrian Detection, which can automatically apply the brakes if people are detected in the road ahead, and it is the first vehicle in its segment to offer inflatable rear safety belts.

- Ford's Driving Skills for Life (Ford DSFL) program, created to encourage responsible driving in motorists ages 18 to 24, was recognized with the Volante Sicuro 2014 award, a prize created by Videomotori with the participation of Michelin. The Ford DSFL program will be offered in 11 countries in 2015, with training taking place for the first time in Denmark, the Netherlands and Turkey.

- Ford was named Most Innovative Volume Brand 2015 at the AutomotiveINNOVATIONS Awards.

↑ back to top
Welcome

In Europe, we are focused on creating an exciting and vibrant Ford business through an unprecedented focus on great products, a strong brand and increased cost efficiency. Sustainability is at the very heart of this effort.

This year is one of the busiest ever for new vehicle launches in Europe, which gives us the opportunity to provide sustainable transportation to more customers than ever. For example, we are launching new Ford vehicles with advanced fuel efficient technologies and alternative powertrains. At the same time, we added two additional EcoBoost engine variants in 2014, and expanded the total number of EcoBoost engine configurations in Europe to 15.

Importantly, we introduced our first hybrid electric vehicle in late 2014 – the Ford Mondeo Hybrid – which joined the Ford Focus Electric battery electric vehicle and the C-MAX Energi plug-in hybrid to form our European electrified vehicle line-up. Overall, we now have more than 90 models and variants in Europe with carbon dioxide (CO₂) emissions below 130 g/km, and more than 20 that offer CO₂ emissions below 100 g/km.

“As we work every day to create an exciting and vibrant Ford of Europe, sustainability underpins everything we do.”

We also are continuing to improve the efficiency and sustainability of our manufacturing operations. There are now a total of seven zero-waste-to-landfill Ford plants in Europe, and we are making progress on our goal to cut energy use by 25 percent on a per-vehicle basis by 2016. We are also reducing water usage significantly. In fact, we reached our goal – two years early – to reduce water use per vehicle produced by 30 percent from 2009 to 2015.

Sustainability also means engaging with and investing in our local communities. One way we do this is by giving all Ford of Europe employees two paid work days per year to volunteer in their communities. In Germany alone, a record 1,000 employees contributed at least 16 hours of volunteer time in 2014.

Sustainability is not just the right thing to do: it is a core part of our business strategy. By launching exciting fuel efficient vehicles, implementing environmentally sound and cost-efficient manufacturing strategies, and continuing to invest in our employees and communities, we are contributing to Ford’s long-term business success in Europe.”
Ford of Europe

Mobility

Changing times are creating exciting new opportunities for our business. At Ford, we’re not just about making vehicles. We’re focused on innovative, sustainable solutions for future global mobility. We’re leveraging our people, products and supplier partners to deliver mobility solutions.

Our vision is to truly change how the world moves – again. Henry Ford did that a century ago when he manufactured affordable automobiles for the masses, thereby democratizing travel. We believe we have an opportunity to revolutionize transportation once more, only this time we’ll be powered by the digital economy. We aim to make the entire transportation experience easier, to improve lives.

Addressing Congestion and Changing Mindsets

We are focused on protecting the freedom of movement of people and goods – a freedom that is being affected by large societal megatrends such as urbanization and increased traffic congestion. Europe is not immune to the threats posed by increasing congestion and over-stretched infrastructure. To address the risks as well as the opportunities, Ford and society as a whole must change the way we think, collaborate and behave.

By harnessing the power of our people, our products and our supply chain, we are acting on our Blueprint for Mobility – our multi-decade plan for helping to develop better ways to move people and goods and thereby create a better world. In early 2015, we announced Ford Smart Mobility, which is using innovation to take Ford to the next level in connectivity, mobility, autonomous vehicles, big data and the customer experience. As the first step, in 2014 we kicked off mobility experiments around the globe – all designed to test new mobility concepts and evaluate their impact on the environment, while creating value for our business at the same time. We are also hosting a global Innovate Mobility Challenge series, an open-innovation approach to discovering mobility solutions around the world.

We're tying together the promise of connected and autonomous vehicles with a broader transportation network that can make traveling from Point A to Point B easier than ever, whether in crowded cities or remote rural landscapes. We're developing advanced new vehicles and new mobility solutions that, when coupled with other modes of transportation, will change the way the world moves by improving safety, reducing congestion and lowering greenhouse gas emissions.

We have an opportunity to revolutionize transportation once more.

Blueprint for Mobility is our multi-decade plan for helping to develop better ways to move people and goods.

We want to help make it easier and safer to travel from Point A to Point B, with lower greenhouse gas emissions too.
By driving toward unfettered access to mobility, we can enable human progress. We view the disruption that's taking place in mobility as something to embrace – not fear. We want Ford to be part of the solution by redefining what's possible.

**Mobility Experiments Across Europe**

Several of our current mobility experiments and innovation challenges are in Europe:

- **Dynamic Social Shuttle, London:** In London, Ford is investigating a service of shareable premium mini-buses that offer point-to-point pick-up and drop-off on-demand. The goal is to better understand the social dynamics and routing requirements of shared transportation. Commuters enter a starting location and a destination into a smartphone app. A shuttle that accommodates four to 10 passengers picks up and drops off commuters at convenient locations, taking the most suitable route for all passengers on board.

- **City Driving on Demand, London:** While many car-sharing services exist that are based on the reservation model, the focus of this London-based experiment is on-demand use. Researchers are exploring how to optimize the service, such as offering pay-by-minute and enabling one-way trips across the city. The experiment uses a fleet of Ford Focus Electric vehicles and Ford Fiestas with EcoBoost® powertrains located across London. People can use a mobile app to register for the service, get directions to the nearest service location, reserve a vehicle and pay for the service. The London service targets a better customer experience and improved operational efficiency compared to existing car-sharing models. The experiment also aims to reduce congestion and, by using zero- and low-emissions vehicles, car-generated pollution.

- **Ford Carsharing, Germany:** In Germany, Ford Carsharing is the first manufacturer-backed, nationwide car-sharing program incorporating dealerships. The collaboration recently expanded and now has 39 participating dealers in 55 cities with more than 100 locations. Ford is working with Flinkster, a large car-sharing company with multiple partners. Ford Carsharing customers can use any Flinkster vehicle, and Flinkster’s 270,000 customers can use the Ford fleet.

- **Painless Parking, London:** In London, Ford is working to make parking easier for drivers in the city. Drivers voluntarily use plug-in devices that create live data on traffic and parking. The City Dash app tells users whether they are legally parked. If not, the app recommends the nearest open spot. It allows drivers to pay for parking meters by mobile phone, and identifies the closest available parking spots to the driver’s final destination.

- **Data Driven Insurance, London:** This experiment studies a driver’s behavior over time in order to build a more personalized mobility profile. The goal is to create a driving behavior passport that can be used to calculate more exact insurance rates and allow drivers to take the information with them, from car to car or from insurance carrier to insurance carrier. This kind of data might enable lower insurance rates for good drivers.

- **Traffic Tamer, London:** London’s busy streets and limited parking spaces mean drivers have a hard time getting from place to place, and an even harder time finding somewhere to park when they arrive. Ford asked developers to consider how technology could make it easier and more convenient for drivers in London to get where they need to go and find a place to park their car when they do arrive. The winner, the AppyParking smartphone application, consolidates parking areas, restrictions and rules into one map. With a few taps of their finger, drivers can see where meters and lots are located, when parking is restricted, and, in some areas,
City Mobility, Portugal: On the narrow streets of Lisbon, congestion has worsened with population growth due to the mountains and hills surrounding the city. This is making the task of moving goods and services around ever–more difficult. Ford asked developers to re-imagine urban mobility by looking at how technology and data – big data, real-time data, and data integrated into systems – could streamline the process of getting people and goods around efficiently, reducing congestion and saving time and money. The winner, Smartaxi, is a smartphone app that helps taxi drivers respond to demand for cars quickly and efficiently. The app crowd–sources location data from taxi drivers to produce heat maps showing where cabs are needed and where passengers are headed – saving taxi drivers wasted time and fuel looking for fares. By using predictive analysis, Smartaxi can also help direct taxi drivers to locations in the city where demand is likely to increase over the next 24 hours – ensuring that drivers have more fares and customers can find a taxi when they need one.

Handle on Mobility, Spain: At the Mobile World Congress in Barcelona, we announced our Handle on Mobility experiment. This experiment will help us understand how electric bicycles can be integrated seamlessly with cars and public transport with the help of a multi–functional smartphone app to deliver faster and easier daily commutes and help businesses operating in urban centers. At the start of this experiment, we challenged our employees around the world to submit designs for electric bicycles, or e–bikes. From more than 100 designs, we developed two easy–to–use, folding e–bikes, each equipped with a 200–watt motor with 9–amp–hour battery and capable of speeds up to 25 km/h (15 mph). The e–bikes include technology inspired by the automotive industry, including brake lights and a horn. When folded, they both fit easily into Ford vehicles, where they can also be charged. The experiment also includes a multi–functional app that helps commuters determine the best route and combination of transport modes (e–bike, car, train, etc.) to reach their destination in the shortest time or for the least cost.

Research Projects in Europe

We also have several mobility–related research projects in Europe, including the following:

- In 2015, the Ford European Research & Innovation Center in Aachen, Germany, and the Technology and Innovation Management Institute of RWTH Aachen University launched the Personal Mobility Experience Innovation project, a research collaboration driving innovation in mobility and autonomous vehicles to help solve future global transportation challenges. The project aims to identify the features, technologies, services and solutions that could enable Ford to meet customers’ changing preferences and expectations for personal mobility and help address societal challenges such as traffic congestion and environmental issues.

- Ford will also contribute to the U.K. government–sponsored U.K. Autodrive initiative, working alongside other manufacturers to study how driverless and connected cars can be integrated into everyday life. Ford will provide two prototype cars with vehicle–to–vehicle communications capability to help test an innovative public transport system. Vehicle–to–vehicle and vehicle–to–infrastructure connectivity technologies such as those tested in real–world urban environments during the U.K. Autodrive initiative also will contribute to the development of fully autonomous vehicles.
Ford of Europe

Climate Change and Environment

At Ford, we have been working for many years to reduce the environmental impacts of our vehicles and operations.

For example, Ford recognizes the risks and opportunities climate change poses, and we are committed to doing our share to prevent or reduce the potential for environmental, economic and social harm due to climate change. To make good on this commitment, we have analyzed what “doing our share” means according to the science of climate change.

We set emission reduction goals for our products by region and manufacturing operations based on stabilizing the atmospheric concentration of carbon dioxide (CO₂) at 450 parts per million (ppm), the level that many scientists, businesses and governmental agencies believe may avoid the most serious effects of climate change. We are on track to meet the central elements of our strategy. For each of our new or significantly refreshed vehicles, we offer a powertrain with leading fuel economy, and we are reducing greenhouse gas (GHG) emissions across our global product portfolio. Also, we are on track to meet our goals to reduce our facility CO₂ emissions by 30 percent from 2010 to 2025 on a per-vehicle basis, and our average energy consumed per vehicle by 25 percent from 2011 to 2016 globally.

Vehicles

Ford offers one of the broadest low-CO₂ vehicle portfolios in Europe. Our efforts to improve fuel efficiency are paying off. We have reduced the average CO₂ emissions of our European car fleet by around 18 percent between the 2006 and 2014 calendar years. In total, Ford offers 92 models and variants in Europe with CO₂ emissions below 130 g/km, of which 21 models or variants have CO₂ emissions below 100 g/km.

EcoBoost® Engines and ECOnetic Technology

In Europe, we are continuing to expand the use of our EcoBoost engines, which use turbocharging and direct injection along with reduced displacement to deliver significant fuel-efficiency gains and CO₂ reductions, relative to larger displacement engines, without sacrificing vehicle performance. We offer five EcoBoost gasoline engines in Europe – the 2.3L, 2.0L, 1.6L, 1.5L and 1.0L EcoBoost engines – which are available on 15 models of Ford vehicles in Europe: the Ford Fiesta, B-MAX, EcoSport, C-MAX, Grand C-MAX, Focus, Kuga, Mondeo, Mustang, S-MAX, Galaxy, Transit Courier, Tourneo Courier, Transit Connect and Tourneo Connect.
We offer EcoBoost engines on 15 models of vehicles in Europe.

In 2015, we introduced a Ford Mondeo with the 1.0L EcoBoost engine, which delivers fuel economy of 5.1 L/100 km (55.4 mpg) and 119 g/km CO₂ emissions. This Mondeo is the first vehicle in its segment with a 1.0L gasoline engine. Approximately one out of five Ford vehicles sold in 2014 was equipped with the multiple-award-winning 1.0L EcoBoost. Also in 2014, the Ford Focus became the first non-hybrid gasoline family car in Europe to break the 100 g/km CO₂ barrier when equipped with the revised 100 PS version of the 1.0L EcoBoost engine.

We offer six ECOnetic vehicles: the Ford Fiesta, Focus, Mondeo, Transit Custom, Transit Connect and, beginning in mid-2015, the new C-MAX. ECOnetic vehicles are ultra-low-CO₂ versions of selected Ford diesel vehicles that leverage several advanced, fuel-saving technologies. For example, the Ford Fiesta ECOnetic has CO₂ emissions of just 85 g/km and offers fuel economy of 3.3 L/100 km. This model includes a range of Ford technology features, including revised gear ratios; a special aeropack to improve aerodynamics (comprising undershield wheel deflectors and low-rolling-resistance tires); a variable oil pump; a more-efficient air conditioner, cooling fan and alternator; as well as friction and combustion improvements in the engine. It also features Auto Start-Stop, smart regenerative charging, EcoMode and a shift indicator light.

Advanced, fuel-saving technologies are enabling ultra-low-CO₂ versions of selected Ford diesel vehicles.

**Electrification**

In 2015, we launched our first hybrid electric vehicle built and sold by Ford in Europe, the new Ford Mondeo Hybrid. We have also offered the Focus Electric all-electric vehicle in the region since 2013, and we offer the C-MAX Energi plug-in hybrid vehicle in several European markets.

In Germany, Ford is working with 12 other partners on the colognE-mobil project, using a fleet of electrified vehicles – including Focus Electrics and C-MAX Energi plug-in hybrids – to conduct road testing. Since July 2012 the vehicle fleet has covered a distance of half a million kilometers. This program is part of a much larger research effort in several German cities that is partly funded by the German government and involves multiple automakers, utility companies, universities and technology partners. Now in its second phase, the project focuses on charging infrastructure improvements; the use of renewable power, electric car-sharing and e-cabs; networking effectively with public transport; and public perception and safety.

We believe these kinds of collaborative efforts across sectors are essential for ensuring customer-focused products that provide the right value. They also help to ensure that the infrastructure is in place to support these types of vehicles.

**Alternative Fuels**

We also offer liquefied petroleum gas (LPG, or propane autogas) versions of the Ford Fiesta, B-MAX, Focus and C-MAX in markets where dedicated infrastructure exists, such as Spain, Portugal, Italy, Germany and Turkey. All of our diesel vehicles can run on a fuel blend of up to 7 percent biodiesel (B7). And, we offer a flex-fuel version of the Ford Focus in selected markets that can run on E85 (85 percent ethanol).

**Eco-Driving Information and Training**

Ford has demonstrated that drivers who practice "eco-driving" can improve their fuel economy by an average of 24 percent. Eco-driving tips are available to the public on Ford's
Ford began work on the eco-driving concept in 2000, when we first offered an eco-driving program through our German dealerships, in partnership with the German Federation of Driving Instructor Associations and the German Road Safety Council. That program, which continues today, trains drivers in smarter and greener driving skills and vehicle maintenance habits. It uses specially trained and certified instructors to run programs for several target groups, including fleet drivers and customers. By the end of 2014, more than 18,000 German drivers had been "eco-trained" through this program.

**Reducing Non-CO₂ Tailpipe Emissions**

Air quality and the related health risks from congestion are issues we take very seriously. With increasing numbers of vehicles on the road, we need to address air quality with more fuel-efficient vehicles and alternative powertrains. Through the development of a new generation of downsized, high-efficiency gasoline- and diesel-powered vehicles with improved engine technologies and high-tech exhaust gas treatment devices we are achieving massive improvements in non-CO₂ tailpipe emission reduction.

Further improvements have been generated as we have introduced vehicles equipped with technology to meet the more stringent Euro 5, and now Euro 6, emissions standards. Since Euro 1 emissions regulations were introduced in 1992, particulate matter emissions from light-duty diesel vehicles have decreased by 96 percent. Similar improvements have been reached on nitrogen oxides (NOx) emissions in passenger cars. For example, the Fiesta Diesel's NOx emissions have been reduced by 93 percent since 2000.

All of our new passenger cars registered as of January 1, 2014, and all light-duty vehicles registered as of September 2015, comply with the Euro 5 standards. Phase 1 of the Euro 6 standards, which will be even more stringent, will be applied in September 2018 for all new registered cars. Today, the Ford Ka, Fiesta, B-MAX, EcoSport, C-MAX, Focus and Mondeo already comply with Euro 6.

**Sustainable Manufacturing**

In early 2012, Ford of Europe announced our five-year sustainable manufacturing strategies for water, landfill waste and emissions. The strategies include ambitious targets to produce the average Ford vehicle using 30 percent less water and creating 70 percent less waste to landfill in manufacturing over the next five years. We also set a goal to reduce by 25 percent the amount of energy it takes to manufacture a vehicle, before 2016.

**Water Reduction**

We met our water-reduction goal in 2013, two years early. We met this goal by implementing a wide range of water-saving technologies and process improvements across our global operations. In Europe, Ford's engine plants in Cologne, Germany, and Craiova, Romania, where the 1.0L EcoBoost engine is produced, introduced advanced manufacturing techniques that reduce the volume of water coolant required when machining aluminum engine parts to just five milliliters per component, down from two liters. We are now in the process of developing an updated global water manufacturing strategy and new long-term water-reduction goals.
Energy Initiatives

By the end of 2015, we expect to have achieved the planned 25 percent energy savings throughout Europe (one year ahead of schedule). These savings are largely attributable to the introduction of an Energy Management Operating System (EMOS), implemented in 2013. Plant Energy Teams have been established at all Ford production facilities in Europe to implement the EMOS. We are using a range of technology and process improvements to accomplish these energy savings. For example, at our Cologne and Saarlouis assembly plants, we are recovering and using heat from paint oven exhaust stacks, air recirculation systems and paint spray booths by incorporating heat pump technology. Heat efficiency projects currently underway throughout Ford of Europe will deliver around 300 GW-h of energy savings per year from 2016 onward. In addition, many electrical efficiency projects are underway in Europe, including LED lighting replacements, building management controls and liquid pumping system controls. In total, we expect that Ford of Europe will have reduced energy consumption by 800 GW-h by the end of 2015 compared to a 2011 baseline.

We have also installed our “3-wet” paint process, which reduces CO₂ emissions by 15 to 25 percent compared to either conventional high-solids solvent-borne or waterborne painting systems at plants in Spain and Romania. Other projects aimed at saving energy include compressed air dryers, which remove moisture from the compressed air, improving paint quality.

We are also using renewable energy to reduce CO₂ emissions from our European plants. For example, energy required to run the Cologne plant comes from renewable sources, including three hydropower plants in Norway and Sweden. Through this initiative, Ford has reduced CO₂ emissions by 190,000 metric tons per year. Ford’s Dagenham Diesel Engine Assembly line in the U.K. obtains all its electricity from on-site wind turbines. And, Ford’s U.K.-based Dunton Technical Centre purchases energy from 100 percent renewable sources, including hydro, wind and waste-to-energy generation. Using renewable energy rather than energy from traditional sources eliminates an estimated 35,000 metric tons of CO₂ emissions annually.

READ MORE:

1. The current atmospheric concentration of CO₂ is approximately 400 ppm. (www.CO2now.org accessed 3-6-15)
2. The declared fuel consumption and CO₂ emissions are measured according to the technical requirements and specifications of European Regulations (EC) 715/2007 and (EC) 692/2008 as last amended. Fuel consumption and CO₂ emissions are specified for a vehicle variant and not for a single car. The applied standard test procedure enables comparison between different vehicle types and different manufacturers. In addition to the fuel efficiency of a car, driving behavior as well as other nontechnical factors play a role in determining a car’s fuel consumption and CO₂ emissions. CO₂ is the main greenhouse gas responsible for global warming. Results in MPG also correspond to this European drive cycle and are stated in imperial gallons. The results may differ from fuel-economy figures in other regions of the world due to the different drive cycles and regulations used in those markets.
Ford of Europe

Product Quality and Safety

At Ford, we design and manufacture vehicles that achieve high levels of vehicle safety for a wide range of people over a broad spectrum of real-world conditions.

The 2014 Ford Mondeo was awarded the maximum five-star safety rating by the European New Car Assessment Program (Euro NCAP), an independent crash test authority. The Mondeo is also the first Ford worldwide to offer Pre-Collision Assist with Pedestrian Detection. The technology is designed to detect people in the road ahead – or that could cross the vehicle’s path – and automatically apply the brakes if the driver does not respond to warnings. The Mondeo is also the first Ford vehicle in Europe to offer Ford’s inflatable rear safety belt technology. In the event of an accident, the safety belt can expand to disperse crash forces across a body area five times greater than that achieved by a conventional safety belt. The all-new Mondeo body structure features 61 percent high-strength steel and uses an industry-first application of hydro-formed high-strength steel to produce the forward window pillars and the roof rails – reducing side impact intrusion by up to 64 mm.

At the tenth-annual AutomotiveINNOVATIONS awards, Ford Motor Company was named the Most Innovative Volume Brand 2015 by the Germany-based Centre of Automotive Management for our safety and semi-autonomous driver technologies. Ford was chosen out of 18 global automotive groups representing 53 brands. Ford won the award for safety and driver assistance systems, including Active Park Assist, which helps drivers to park alongside other cars and in parallel parking spaces, and the automatic braking technology Active City Stop, which operates at speeds of up to 50 km/h.

Encouraging Safer Driving

Driver behavior is a key contributing factor in many vehicle crashes. We have developed and support an array of programs and technologies that help to encourage safer behavior on the roadways, for both experienced and novice drivers.

In 2013, we launched our Ford Driving Skills For Life (Ford DSFL) driver education program in Europe. Since then, we’ve invested nearly $7.5 million to provide free, hands-on training to more than 6,100 young drivers in Belgium, Romania, France, Germany, Italy, Spain, the U.K. and Russia through more than 130 events. Thousands more have received training through our online programs. In 2015, the European team plans to expand the training to Denmark, the Netherlands and Turkey.

Collaborative Research

In order to progress from current technologies to our long-term vision of connected and automated vehicles, we are conducting collaborative research with a variety of public,
We are relentless in our efforts to improve product quality in all of our regions. Ford has a long history of developing and implementing new innovations that improve the safety performance of our vehicles.

We are working with others to deliver our long-term vision of connected and automated vehicles for more efficient and safer driving.

READ MORE:

- We are relentless in our efforts to improve product quality in all of our regions.
- Customer Satisfaction and Quality
- Vehicle Safety and Accident Avoidance
- Ford has a long history of developing and implementing new innovations that improve the safety performance of our vehicles.


↑ back to top
The automotive supply chain is one of the most complicated of any industry. Automakers like Ford rely on thousands of suppliers to provide the materials, parts and services necessary to make our final products. We promote long-term relationships with our suppliers and seek alignment with them on sustainability-related issues such as human rights, working conditions, conflict minerals and environmental responsibility.

We leverage the scale of our supply chain to make a positive impact in the markets in which we do business globally.

The basis of our work with suppliers is the Ford Code of Human Rights, Basic Working Conditions and Corporate Responsibility, which applies to our own operations as well as our $100 billion supply chain. The Code addresses workplace issues such as working hours, child labor and forced labor, as well as nondiscrimination, freedom of association, health and safety, the environment and other issues.

We work to ensure that Ford and our suppliers have management systems in place to mitigate potential risks, ensure continuity of supply and improve the overall sustainability of the complex global automotive supply chain. Our aim is to leverage our supply chain and our industry to make a positive impact in the markets in which we do business.

Our Approach

Our goals to control costs, improve quality and meet sustainability targets require an unprecedented level of strong relationships and shared commitments with our suppliers. We proactively engage our supplier partners to develop a sustainable supply chain, and we:

1. Communicate our expectations to our suppliers
2. Assess our suppliers for environmental and social performance
3. Build our suppliers’ environmental and social capability
4. Collaborate with industry and cross-industry organizations to develop common solutions in a noncompetitive environment

Training for Suppliers

Since 2007, Ford has led or participated in supplier human rights training sessions in Argentina, Brazil, China, India, Mexico, Romania, Russia, Thailand, Turkey and Venezuela. In 2014, we held joint industry trainings in Russia through the Automotive Industry Action Group (AIAG) – a North American, member-based, nonprofit industry group specializing in supply chain issues – and conducted independent Ford training sessions in Brazil, China,
India, Mexico and Turkey. Overall, we trained more than 280 Ford suppliers – both direct and indirect. In 2015, Ford intends to participate in training sessions in Brazil, China and Mexico with the AIAG and in South Africa with CSR Europe. We also plan to conduct a Ford-sponsored training in Thailand.

**Building Internal Capability**

We strongly believe it is important to develop not only supplier capability on these important, developing issues of supply chain sustainability, but also our internal capability. In 2014, we trained 175 new Ford Purchasing employees on supply chain sustainability fundamentals. We also provided training to our global Supplier Technical Assistance (STA) team on the basics of our human rights and working conditions program, as these personnel interact with our supplier plants on a regular basis. Our STA training reached almost 1,400 individuals globally. In 2015, we have plans to train the broader Ford Purchasing community.
Our People

Here at Ford, our employees are the drivers behind our successes, and our current manufacturing expansion is the fastest and strongest in 50 years. As we continue to witness surging global demand for our products, we rely ever more deeply on the skills and talents of our dedicated global workforce of some 187,000 individuals.

Our employees are crucial to delivering our vision of building great products that contribute to a better world. As such, Ford has maintained a strong focus on employee development – including significant learning opportunities and leadership development, as well as diversity and inclusion initiatives to embrace the different perspectives and value of our global employee base.

We have many programs to promote a diverse and inclusive workplace across our European operations. In the U.K., for example, we have a robust, comprehensive Dignity at Work policy that sets out the expected standards of behavior and what steps can be taken if there are infringements of these high standards. All employees are trained on the content of the policy, with further training for supervisors and managers who investigate allegations of harassment and/or bullying.

Employee Diversity

Across our European operations, we also have employee resource groups to support employee diversity. For example, our employee Disability and Accessibility Group supports disabled employees and helps to improve the accessibility of Ford’s products and communications for all. In 2014 the group made several public presentations about individual special needs to adapt vehicles to reduced mobility. This group also initiated the use of subtitles in Ford’s internal communications to improve accessibility for disabled employees, and they are working to improve the accessibility of Ford’s internal and external websites.

Health Care Strategy

Globally, we also remain committed to the One Ford health care strategy. Our goal is to build a culture of wellness that lets people perform at the top of their game at work, at home and into retirement. Our efforts are tailored to meet local health priorities and to ensure that our people receive quality health care when they need it. We focus on health screenings, educational programs and promotional campaigns. We use global health metrics (such as percentage of population at low, medium and high risk for disease) to assess the health of our workforce and track the results of our programs.
Restructuring

We completed the planned closures of the Genk Belgium manufacturing facility at the end of 2014. This closure was planned and executed as the finishing step in Ford Europe's restructuring plans to manage reduced demand and thus reduced capacity requirements in the region.

READ MORE:

Read more about how we support our people in all of our regions.

Our People

\[\text{back to top}\]
Year in Review

Ford of Europe

Communities

Engaging with and investing in communities is more than the right thing to do; it’s also smart business. Our global company is only as strong as the local communities in which our employees and customers live and work, so it is in our mutual interest that we work with communities to make meaningful contributions to improve the quality of life. For us, it is not just about donating money. It’s also about building partnerships and working with others to address the difficult challenges so many people are facing.

Our community support is aligned with our company goals and our One Ford plan. One of the outputs of One Ford is to build a better world, and so reaching out and providing assistance to our communities is an essential part of what we do.

Operation Better World

As we continue to expand our business in new markets across the globe, we are also expanding our community investment and volunteering efforts internationally. In 2014 we extended the global reach of our Operation Better World program. Launched in 2012, Operation Better World is a coordinated, strategic approach to how Ford engages with communities everywhere that we do business. We initially launched this program in three markets outside of the U.S. By 2015, the program had grown to reach 39 markets around the world. In 2015, we will be expanding the program to our Middle East and Africa region.

Through Operation Better World, the Ford Fund, our community relations arm, works with NGO partners in four key areas: education, auto safety, community needs and sustainability (with a focus on water). The Ford Fund oversees these programs to ensure that they meet local community needs, align with the One Ford business plan, have a measurable impact and, where possible, can be replicated in other markets. This grassroots engagement in the community is implemented and led by the local Ford teams in each region.

A Positive Impact on Communities

Throughout Europe, Ford has made a positive impact on communities and the environment through Operation Better World initiatives such as the Community Involvement Program, the Global Week of Caring and the Ford Driving Skills for Life (DSFL) program, which teaches drivers about fuel efficiency as well as safety (as discussed in the Vehicle Safety and Accident Avoidance section).

Ford of Europe employees may spend up to 16 working hours per year
Ford of Europe employees may spend up to 16 working hours per year undertaking a community involvement activity.

In Germany, an all-time record 1,000 employees contributed at least 16 hours of volunteer time in 2014, funded by Ford and totaling more than 16,000 hours. At our Dunton Technical Centre in the U.K. in 2014, employees spent more than 1,140 working hours volunteering in local communities.

In 2000, Ford in Germany launched the Community Involvement Program, which connects Ford employees to opportunities for volunteering in the community. As of year-end 2014, 12,000 Ford employees had volunteered through this program, working on some 1,600 projects and dedicating more than 190,000 working hours (paid by Ford).

In addition, Ford actively supported Gandhi Award activities for the second time and helps to reward school students for their social engagement at Henry Ford High School in Cologne.

Ford's European operations have been recognized publicly for their sustainability efforts. For example, in 2014 Ford was the only automotive company nominated as finalist for a CSR Award from the German government, which ranked Ford among the top five most sustainable large companies in Germany. In addition, Ford received the Cologne Culture Patronate award for the fourth year in a row.

**Ford’s Global Week of Caring**

Ford of Europe volunteers also supported their communities as part of Ford's 2014 Global Week of Caring. In Germany alone, 24 volunteering activities were operated as Global Week Projects, and $32,500 were invested by Ford Fund Europe. Examples of our 2014 Global Week of Caring Projects in Europe include the following:

- In Cologne, Germany, Ford volunteers built interactive educational displays at the green school of Cologne's Botanical Garden. Activities included building a "feeling and smelling" educational trail as well as raised bed for herbs and an "insect hotel" for experienced-based learning.

- In Coraivia, Romania, Ford employees worked with the nonprofit organization OncoHope on two projects. One project improved infrastructure and refurbished facilities at the state hospital to improve living conditions for sick children, including buying construction materials and hospital furniture and painting the walls, among other refurbishing activities. In the second project, Ford employees provided financial aid for medical tests and investigations for community members and organized recreation activities for children with cancer.

- In Wales, Ford employees helped to plant 50 hectares of native woodland on an old industrial site in Bridgend to create a new recreational space. In addition to community and health benefits, the planted trees capture carbon dioxide, helping to reduce climate change.

**READ MORE:**

Read more about our community engagement and investment efforts globally.

Communities

↑ back to top
Ford Asia Pacific

Our Asia Pacific region encompasses 12 primary markets – Australia, New Zealand, Japan, Korea, China, Taiwan, India, Thailand, Indonesia, the Philippines, Vietnam, Malaysia – and 31 additional emerging markets.

Performance Highlights

The fastest-growing markets for automobiles are in rapidly developing countries such as China and India. We expect 60 to 70 percent of our growth in the next 10 years to come from the Asia Pacific region. Accordingly, we have increased (and are planning to increase further) our dealer networks and manufacturing capacity in the region.

We have 10 new plants in Asia Pacific, including new vehicle assembly plants in and Hangzhou, China, and Sanand, India, that were inaugurated in March 2015. Combined together, the Ford assembly plants in Asia Pacific will have the capacity to produce 2.7 million vehicles by the end of 2015. These new state-of-the-art, highly flexible manufacturing facilities will help us reach the goal of increasing worldwide sales to about 8 million vehicles per year. As of year-end 2014, we employed 25,000 people in the region, up from 20,000 in 2013.
Welcome

In 2014 we continued to “Go Further” in the Asia Pacific region. We launched eight new vehicles across the region and delivered record profits of $589 million. In China, our largest market in Asia Pacific, we set a new sales record of 1.1 million wholesale vehicles, up 19 percent from 2013. We also opened two new plants in China, both equipped with Ford’s best-in-class manufacturing technologies.

We are also implementing state-of-the-art sustainable manufacturing technologies and processes in our plants and significantly improving our environmental performance. For example, we reduced waste to landfill per vehicle produced in the region more than 60 percent compared with 2013, and a total of five plants in the region maintained zero waste to landfill. We also cut water used per vehicle produced by more than 10 percent compared to 2013 and energy use per vehicle produced by more than 7 percent compared with 2013.

As we continue our growth in the region, we are committed to going further the right way. We are not only building great products and strong business; we are also working to build a better world. This commitment is reflected in the fuel-efficient products we are launching. By the end of 2014, we offered our fuel-sipping EcoBoost® engines in 13 products in the region, and we will increase this to 20 vehicles by the end of 2015 – a five-fold increase from our EcoBoost offerings in 2012. And, we offer three hybrid electric vehicles in various Asia Pacific markets.

“As we continue our growth in the region, we are committed to going further the right way. We are not only building great products and strong business; we are also working to build a better world.”

We are also expanding investments in our local communities. In 2014 we continued to grow our Conservation and Environment Grant program, giving grants to support local environmental projects in 11 countries. And we expanded our Ford Driving Skills for Life program to Malaysia and Myanmar, providing free training on safe and fuel-efficient driving skills in nine markets across Asia Pacific. We also launched a new STEM strategy to support high-quality science, technology, engineering and math (STEM) education in the region. And, as part of Ford’s 2014 Global Week of Caring, more than 5,000 Ford employees volunteered 24,296 hours on 75 projects across the Asia Pacific region.

Moving forward, we will continue to focus on going further the right way, making sure that as we grow our business in the region we are also helping to build a better world and
delivering profitable and sustainable growth for all.”

Dave Schoch
President, Ford Asia Pacific
Mobility

Changing times are creating exciting new opportunities for our business. At Ford, we’re not just about making vehicles. We’re focused on innovative, sustainable solutions for future global mobility. We’re leveraging our people, products and suppliers partners to deliver mobility solutions.

Our vision is to truly change how the world moves – again. Henry Ford did that a century ago when he manufactured affordable automobiles for the masses, thereby democratizing travel. We believe we have an opportunity to revolutionize transportation once more, only this time we’ll be powered by the digital economy. We aim to make the entire transportation experience easier, to improve lives.

Addressing congestion and changing mindsets

We are focused on protecting the freedom of movement of people and goods – a freedom that is being affected by large societal megatrends such as urbanization and increased traffic congestion. To address the risks as well as the opportunities, Ford and society as a whole must change the way we think, collaborate and behave.

By harnessing the power of our people, our products and our supply chain, we are acting on our Blueprint for Mobility – our multi-decade plan for helping to develop better ways to move people and goods and thereby create a better world. In early 2015, we announced Ford Smart Mobility, which is using innovation to take Ford to the next level in connectivity, mobility, autonomous vehicles, big data and the customer experience. As the first step, in 2014 we kicked off mobility experiments around the globe – all designed to test new mobility concepts and evaluate their impact on the environment, while creating value for our business at the same time. We are also hosting a global Innovate Mobility Challenge series, an open-innovation approach to discovering mobility solutions around the world.

We’re tying together the promise of connected and autonomous vehicles with a broader transportation network that can make traveling from Point A to Point B easier than ever, whether in crowded cities or remote rural landscapes. We’re developing advanced new vehicles and new mobility solutions that, when coupled with other modes of transportation, will change the way the world moves by improving safety, reducing congestion and lowering greenhouse gas emissions.

By driving toward unfettered access to mobility, we can enable human progress. We view
the disruption that’s taking place in mobility as something to embrace – not fear. We want Ford to be part of the solution by redefining what’s possible.

**Mobility experiments across Asia Pacific**

Several of our current mobility innovation challenges are in our Asia Pacific region. For example:

- **Share Car Bangalore**: In Bangalore, India, Ford is working with Zoomcar to test a sharing concept that would allow a closed, small groups of peers – such as coworkers, apartment dwellers and families – to share a vehicle among multiple drivers. The approach helps consumers who can’t afford a car but want the benefits of owning one. Researchers plan to develop a model for vehicle scheduling and managing ownership for sharing among these small communities.

- **Monsoon App Downpour**: Mumbai, India, is known for its monsoon rains in the middle of summer. The heavy rains last up to four months and result in flooded roads and railways that create long delays for the 12 million residents of the area. People simply can’t get around to do what they need to do. This challenge was won by Mumbai Monsoon Helper, an app that allows users to plan routes around the most water-soaked areas by providing current weather details, forecasts and maps. The information is gathered through crowd-sourcing. Planned enhancements for the app include navigation around flooded areas by prioritizing recently reported floods and areas of receding water.

- **Mobility Integration**: Chongqing, China, is challenged by drastic geographical changes and extreme congestion, requiring multiple modes of transportation that struggle to move people into, out of, and through the city quickly and efficiently. Ford asked app developers to come up with a way to make commuting easier by connecting multiple transportation options on a single trip. The challenge was won by MultiModal Transportation Platform, an app that combines city-based mass-transit options, including buses and trains, with localized transportation, including bicycle rentals and rickshaws, to get people where they want to go while saving fuel and reducing congestion. The app finds high-traffic areas and alternative routes and nearby transportation options with maps, and provides contact information for services, pricing, line changes for buses, subways, railways and more.

**READ MORE:**

Read more about our efforts to reshape mobility.

- Mobility

† back to top
Ford Asia Pacific

Climate Change and Environment

At Ford, we have been working for many years to reduce the environmental impacts of our vehicles and operations.

For example, Ford recognizes the risks and opportunities climate change poses, and we are committed to doing our share to prevent or reduce the potential for environmental, economic and social harm due to climate change. To make good on this commitment, we have analyzed what “doing our share” means according to the science of climate change.

We set emission reduction goals for our products by region and manufacturing operations based on stabilizing the atmospheric concentration of carbon dioxide (CO₂) at 450 parts per million (ppm), the level that many scientists, businesses and governmental agencies believe may avoid the most serious effects of climate change. We are on track to meet the central elements of our strategy. For each of our new or significantly refreshed vehicles, we offer a powertrain with leading fuel economy, and we are reducing greenhouse gas (GHG) emissions across our global product portfolio. We are on track to meet our goals to reduce our facility CO₂ emissions by 30 percent from 2010 to 2025 on a per-vehicle basis and to reduce our average energy consumed per vehicle by 25 percent from 2011 to 2016 globally.

Vehicles

We are delivering on our climate change commitments in Asia Pacific by introducing fuel-efficiency technologies and electrified vehicles. We now offer three electrified vehicles in the Asia Pacific region: the Lincoln MKZ Hybrid and Ford Fusion Hybrid in South Korea and the Ford C-MAX Hybrid in Guam. We will be offering the Ford Mondeo Hybrid in Taiwan beginning in mid-2015.

EcoBoost® Engines

We are also launching more vehicles equipped with the EcoBoost® engine, in response to growing consumer demand for more fuel-efficient vehicles. In 2014, EcoBoost was available in 13 vehicles in Asia Pacific, and by the end of 2015 we will offer it in more than 20 vehicles, a five-fold increase from 2012.

- The 1L I-3 EcoBoost is offered in the region on the Ford Fiesta, which is available in Australia, China, Japan, New Zealand, Taiwan, ASEAN and APEM, and on the EcoSport, which is available in Australia, China, India and New Zealand.
- The 1.5L I-4 EcoBoost is available on the new Ford Mondeo in China.
- We also offer the 1.6L and 2.0L I-4 EcoBoost variants on the Ford Edge, Kuga/Escape, Mondeo/Fusion, Falcon, Focus ST, Fiesta ST, Taurus and Explorer, and the Lincoln MKZ and MKC.

We are on track to meet the central elements of our strategy and are reducing GHG emissions across our global product portfolio.
We are working to comply with all non-CO\textsubscript{2} tailpipe emissions standards being implemented by authorities in the region.

In Asia Pacific, we launched the Ford Driving Skills for Life (Ford DSFL)
Sustainable Manufacturing

We are improving the environmental performance of our existing plants in Asia Pacific and designing our new plants to include state-of-the-art environmental technologies. For example, we have implemented our energy- and water-efficient “3-wet” painting process at plants in China, India and Thailand. Some highlights of our environmental performance in 2014 include the following:

- We cut energy use per vehicle produced in the region by more than 7 percent compared with 2013.
- We reduced water use per vehicle produced by 10 percent compared to 2013. As part of our global water strategy, we conducted water assessments at two more plants this year to better understand water usage and opportunities for improvement. In addition, multiple plants now recycle and reuse their wastewater to reduce fresh water demands.
- We reduced waste to landfill per vehicle produced in the region by 64 percent compared with 2013. And, five plants in the region are zero waste to landfill.
- The Chongqing Transmission Plant received our internal Five STAR (Sustainability Tracking and Rating) recognition.
- The Chennai Engine Plant won the Asia Pacific regional 2014 Environmental Leadership Award for their ongoing effort to reduce carton and wood waste by more than 30 percent via replacement with returnable packages for material shipment. The plant reduced carton and wood pallet waste by more than 12 tons per month.

READ MORE:
We have a rigorous and holistic approach to reducing the overall environmental impacts of our vehicles and facilities across the globe.

Climate Change and Environment

1. ASEAN is the Association of Southeast Asian Nations. APEM is Asia Pacific Emerging Markets
Ford Asia Pacific

Product Quality and Safety

At Ford, we design and manufacture vehicles that achieve high levels of quality and vehicle safety for a wide range of people over a broad spectrum of real-world conditions.

In 2014, our key measures of quality and satisfaction improved compared to 2013, for example:

- Customer satisfaction increased to 69 percent, up 1 percentage point compared with 2013.
- Sales satisfaction with dealer or retailer improved 9 points compared with 2013.
  Service satisfaction with dealer or retailer improved by 8 points in that time.

Our key measures of quality and satisfaction improved compared to 2013.

Encouraging Safer Driving

Driver behavior is a key contributing factor in many vehicle crashes. We at Ford have developed and support an array of programs and technologies that help to encourage safer behavior on the roadways, for both experienced and novice drivers.

In many Asian, Middle Eastern and African markets, it's not just teenagers who are first-time drivers. As more and more people are able to afford vehicles, the number of people of all ages who are driving a car for the first time is increasing rapidly. In many of these developing markets, the overall percentage of drivers who are first time drivers is much higher than in developed markets. In Asia Pacific, therefore, our Ford Driving Skills for Life (Ford DSFL) driver education program is aimed at novice drivers of all ages.

Ford DSFL in Asia Pacific focuses on many elements of safe driving, including developing good safe driving habits, road courtesy, lane maintenance and vehicle maintenance. Also, in this region the program places equal emphasis on safe driving and eco-driving, as customers are interested in both. In 2014, Ford DSFL continued in mainland China, India, Taiwan, Thailand, Indonesia, Vietnam and the Philippines, as well as expanded to Malaysia and Myanmar. More than 90,000 people have been trained in the Asia Pacific, Middle East and Africa regions since the program began. In 2015 we will expand to more markets.

Some highlights of our Ford DSFL program in Asia Pacific include the following:

- In Myanmar, the Ford DSFL sessions in 2014 gave drivers the opportunity to learn safe and green driving practices in a safe and controlled environment. Many participants
We are relentless in our efforts to improve product quality in all of our regions.

- In Malaysia, our Ford DFSL sessions included a focus on maintaining control in wet conditions, due to Malaysia’s high rainfall and tropical climate.

- In Indonesia, Ford DSFL was expanded to more cities in 2014, and we organized a special program for people with disabilities and their families.

- In Taiwan, we are working with NGO partners to improve road safety education for women, children and young drivers.

- In Vietnam, Ford DSFL has reached to 8,500 drivers in 14 cities and provinces since 2008. Ford Vietnam has localized the content of Ford DSFL with useful tips for driving in flooded areas, with automatic transmission, and on mountainous roads. Under the umbrella of Ford DSFL, Ford Vietnam has also run a social campaign since 2012 called No Honking, to address this behavior. The No Honking campaign has more than 28,600 followers and supporters on Facebook.

- In China, Ford DSFL was brought to college campuses in 2014.

- In India in 2015, we are launching a new Ford DFSL sub-program called Cartesy, which is aimed to promote courtesy on Indian roads.

### Improving the Safety Performance of Our Vehicles in Asia Pacific

Ford is a leader in technological innovations that are designed to enhance safety. For example:

- We are rolling out more driver assistance technologies in Asia Pacific. The new Ford Everest, which offers Adaptive Cruise Control and Forward Alert, is an example of how Ford is leading the way in democratizing technology throughout the region.

- We now also offer Emergency Assistance in the Asia Pacific region – it is available on the entire range of our Australian passenger and commercial vehicles.

- We launched rear-seat inflatable safety belts in Asia Pacific on the new Mondeo and will expand this technology to the Ford Edge in China in 2015.

In addition, MyKey® – Ford’s innovative technology designed to help parents encourage their teenagers to drive more safely and to keep young drivers focused on the road – was introduced to even more nameplates in the region in 2014, including the Ford Fiesta and Mondeo.

READ MORE:


↑ back to top
Ford Asia Pacific

Supply Chain

The automotive supply chain is one of the most complicated of any industry. Automakers like Ford rely on thousands of suppliers to provide the materials, parts and services necessary to make our final products. We promote long-term relationships with our suppliers and seek alignment with them on sustainability-related issues such as human rights, working conditions, conflict minerals and environmental responsibility.

The basis of our work with suppliers is the Ford Code of Human Rights, Basic Working Conditions and Corporate Responsibility, which applies to our own operations as well as our $100 billion supply chain. The Code addresses workplace issues such as working hours, child labor and forced labor, as well as nondiscrimination, freedom of association, health and safety, the environment and other issues.

We work to ensure that Ford and our suppliers have management systems in place to mitigate potential risks, ensure continuity of supply and improve the overall sustainability of the complex global automotive supply chain. Our aim is to leverage our supply chain – and our industry – to make a positive impact in the markets in which we do business.

Our Approach

Our goals to control costs, improve quality and meet sustainability targets require an unprecedented level of strong relationships and shared commitments with our suppliers. We proactively engage our supplier partners to develop a sustainable supply chain, and we:

1. Communicate our expectations to our suppliers
2. Assess our suppliers for environmental and social performance
3. Build our suppliers’ environmental and social capability
4. Collaborate with industry and cross-industry organizations to develop common solutions in a noncompetitive environment

Training for Suppliers

Since 2007, Ford has led or participated in supplier human rights training sessions in Argentina, Brazil, China, India, Mexico, Romania, Russia, Thailand, Turkey and Venezuela. In 2014, we held joint industry trainings in Russia through the Automotive Industry Action Group (AIAG) and conducted independent Ford training sessions in Brazil, China, India, Mexico and Turkey. Overall, we trained more than 280 Ford suppliers – both direct and indirect. In 2015, Ford intends to participate in training sessions in Brazil, China and Mexico with the AIAG and in South Africa with CSR Europe. We also plan to conduct a
**Building Internal Capability**

We strongly believe it is important to develop not only supplier capability on these important, developing issues of supply chain sustainability, but also our internal capability. In 2014, we trained 175 new Ford Purchasing employees on supply chain sustainability fundamentals. We also provided training to our global Supplier Technical Assistance (STA) team on the basics of our human rights and working conditions program, as these personnel interact with our supplier plants on a regular basis. STA training reached almost 1,400 individuals globally. In 2015, we have plans to train the broader Ford Purchasing community.

**READ MORE:**

- We have made a global commitment to supply chain sustainability.
- Read more about the status of our working conditions assessments.
- Supply Chain
- Human Rights and Working Conditions in Our Supply Chain

↑ back to top
Ford Asia Pacific

Our People

Here at Ford, our employees are the drivers behind our successes, and our current manufacturing expansion is the fastest and strongest in 50 years. As we continue to witness surging global demand for our products, we rely ever more deeply on the skills and talents of our dedicated workforce of some 187,000 individuals.

Our employees are crucial to delivering our vision of building great products that contribute to a better world. As such, Ford has maintained a strong focus on employee development – including significant learning opportunities and leadership development as well as diversity and inclusion initiatives to embrace the different perspectives and value of our global employee base.

Ford's expansion in Asia Pacific is unprecedented. About five years ago, we saw the huge potential for growth in Asia and began an extraordinary ramp-up of new manufacturing facilities, especially in China, India and Thailand, to meet consumer demand for our vehicles. To build the pipeline of talented people necessary to run and manage these operations, we developed a comprehensive talent strategy for the region.

Positioning Ford as an Employer of Choice

A key aspect of this strategy has been positioning Ford as an employee of choice in the region, by identifying and then sharing our value proposition with both potential and existing employees. We have conducted research to understand what is important to existing employees, conducted exit interviews around why people choose to leave, and made an effort to understand the perspectives and perceptions of new hires, both experienced and Generation Y. Our ability to uncover insights, stories and perceptions of these stakeholder groups has allowed us to understand Ford's position in the Asian market – a society that is exceptionally well connected and where stories can travel fast through family, friends and social networks.

Our existing employees then serve as ambassadors in the marketplace, sharing their experiences working with Ford and touting our collaborative and flexible work culture. Ford's success in Asian markets has also served as a differentiator in our employer branding efforts. With record profits and an expanding and popular product lineup, we have come to be seen as a desirable place to work.

All of these efforts have led to attraction and retention rates higher than the average in the region.

In addition to functional and technical training and a strong portfolio of leadership development offerings, in growth markets such as Asia we are working to develop local
leaders (versus moving leaders in from other developed markets) by providing 12 to 24 months of leadership development programs and tailor-made development plans for individuals.

We also marked the fourth consecutive year of zero fatalities among Ford employees in 2014. However, there were four fatalities among contractors involved in construction projects at our facilities, one of which occurred in China. As a result, we are continuing to emphasize changing the safety culture not only of our own employees, but also that of the thousands of contractors and vendors we hire to clean our facilities, remove trash and scraps, cook meals in cafeterias and maintain equipment, among other outsourced tasks.

READ MORE:
Read more about how we support our people in all of our regions.
> Our People

↑ back to top
Communities

Engaging with and investing in communities is more than the right thing to do; it’s also smart business. Our global company is only as strong as the local communities in which our employees and customers live and work, so it is in our mutual interest that we work with communities to make meaningful contributions to improve the quality of life. For us, it is not just about donating money. It’s also about building partnerships and working with others to address the difficult challenges so many people are facing.

Our community support is aligned with our company goals and our One Ford plan. One of the outputs of One Ford is to build a better world, and so reaching out and providing assistance to our communities is an essential part of what we do.

Operation Better World

As we continue to expand our business in new markets across the globe, we are also expanding our community investment and volunteering efforts internationally. In 2014 we extended the global reach of our Operation Better World program. Launched in 2012, Operation Better World is a coordinated, strategic approach to how Ford engages with communities everywhere that we do business. We initially launched this program in three markets outside of the U.S. By 2015, the program had grown to reach 39 markets around the world. In 2015, we will be expanding the program to our Middle East and Africa region.

Through Operation Better World, the Ford Fund, our community relations arm, works with nongovernmental organization (NGO) partners in four key areas: education, auto safety, community needs and sustainability (with a focus on water). The Ford Fund oversees these programs to ensure that they meet local community needs, align with the One Ford business plan, have a measurable impact and, where possible, can be replicated in other markets. This grassroots engagement in the community is implemented and led by local Ford teams in each region.

A Positive Impact on Communities

We have a long history of supporting communities in Asia Pacific. By building new plants we are creating jobs and opportunity in the region. But we are also expanding our community investment efforts in other ways.

Education, Health and Sustainability Projects

For example, ahead of the launch of our plant in Sanand, India, the company has
Ford launched Happy Schools in 2014 in India: a long-term program focused on democratizing access to primary education. More than $3 million in grants awarded to approximately 350 grassroots environmental leaders and NGOs.

Happy Schools Program in India

In India, we launched the Happy Schools program in 2014, a long-term intervention focused on democratizing access to primary education. As part of the program, Ford has partnered with reputable NGOs working in the field of education to collectively conceptualize and design a social intervention model that addresses gaps identified in the schools. Besides academic support and infrastructure enhancement, the program focuses on improving the overall health status of the children, as well as introducing application-based learning and a structured arts curriculum. A critical component of the program is engagement with key stakeholders, including school administrators, teachers and parents, in order to create sustained support systems for the students. So far the program has been implemented in 20 schools in Chennai. As noted above, Ford India is also expanding the program to cover 10 schools near the new facility in Sanand, Gujarat.

Conservation & Environmental Grants Program in China

We are continuing to expand our Conservation & Environmental Grants (CEG) program, the company’s flagship philanthropic program in China focused on supporting grassroots environmental/sustainability NGO leaders and their organizations. Over the past 14 years, Ford of China has awarded more than $3 million in grants to 354 grassroots environmental leaders and NGOs. In 2014 we provided grants for projects in China, South Korea, Malaysia, Myanmar, Hong Kong, Mongolia, Tahiti, Laos, Cambodia, Sri Lanka and Fiji, and in 2015 we will expand the program to Thailand.

Investing in Communities in Australia

Ford is also investing more in Australia than any other auto company – more than $300 million in 2015 on top of nearly $2 billion the past six years. One example of our investment is our sponsorship of the 2015 Australian Regional For Inspiration and Recognition of Science and Technology (FIRST) Robotics Competition (FRC). The FRC is an internationally acclaimed program that aims to ignite passion in young participants aged 14–18 who are...
looking to pursue a career in the science, technology, engineering and mathematics industries. This partnership is more than a sponsorship, as Ford's vehicles increasingly feature advanced sensor- and radar-based technologies that are similar to those needed to guide robots.

**Ford's Global Week of Caring**

As part of Ford's 2014 Global Week of Caring, more than 5,000 Ford employees volunteered 24,296 hours on 75 projects across the Asia Pacific region. Projects included the following:

- In China, Ford volunteers helped families build eight water cellars in an arid area of southwest China. The cellars will collect and store rainwater during the rainy season, so it is available during the dry season. Also, volunteers organized a one-day activity to raise awareness of water conservation and use.

- In India, Ford volunteers installed water purifiers in five schools, giving students and staff access to safe drinking water. Volunteers also educated students, staff and local community residents about water conservation and gave them handy tips to encourage more sustainable water usage.

- In the Philippines, Ford volunteers engaged in two projects to restore the water supply in the village of Villaba, which was hit hard by Super Typhoon Yolanda (Haiyan) in November 2013. Six months after the disaster, most people in the region still had not recovered. As part of the project, volunteers provided 50 concrete top stand faucets, each benefiting five families.

READ MORE:

We are engaging with and investing in our communities across the globe.

> Communities

↑ back to top
Ford South America

Ford’s principal markets in South America include Brazil and Argentina; we were the fourth-largest automaker in both markets in 2014. Though the overall market for vehicles in both of these countries declined in 2014, we maintained our market share in Brazil and South America as a whole and increased market share in Argentina. We employ 16,000 people and have eight manufacturing plants in the region.

Performance Highlights

- In April 2014, Ford opened a new engine plant in Camaçari, Brazil. We invested 400 million Brazilian real in the plant, which will create 300 new direct jobs. The factory will produce the new generation of three-cylinder engines for compact vehicles such as the all-new Ford Ka.

- In 2014, Ford Argentina increased its market share to 14.1 percent – 1.5 percentage points higher than in 2013 and our highest market share in the country in seven years. We delivered 95,500 vehicles and improved to the second overall industry sales position, from the fourth in 2013.

- Also 2014, we launched the new Ka – the second product created by Brazilian engineering for major world markets. We also introduced many technologies for the first time in Brazil on this vehicle. For example, as part of our strategy to democratize technology, we launched SYNC® AppLink™ on the new Ka. This innovative technology allows drivers to control their smartphones with voice commands so they can keep their eyes on the road and hands on the wheel.

Awards

- In 2014, Ford Argentina received 10 awards distinguishing our corporate reputation, including first place in the Most Trusted Brands ranking in the category of vehicle and pickup companies, awarded by Selecciones (Reader’s Digest) magazine.

- In Brazil in 2014, Ford vehicles won more than 30 awards from over 10 different vehicle-related publications. For example, the Ford Fusion Hybrid won multiple awards, including “best green car” awards from Vrum and Abiauto magazines.
Welcome

Ford continues to improve the way the world moves through innovation and efforts to improve mobility. It is so inspiring to be part of this accomplishment and to continue Henry Ford’s vision for extending safe and efficient transportation to everyone. The dream of offering freedom through improved human mobility lives on in South America.

As part of Ford’s Blueprint for Mobility, we are helping to rethink mobility for a more sustainable future. Ford’s plan to ensure personal mobility in the future – the Smart Mobility Plan – reached all corners of the globe, including Argentina. In 2014, Ford Argentina hosted a Future of Mobility Contest and a Future of Mobility Forum to encourage innovative solutions and ideas to ensure the freedom of mobility.

Argentina has long struggled with congested traffic and air pollution. The Future of Mobility Contest promoted the exchange of ideas, perspectives and challenges to help contribute to the evolution of personal mobility and improve urban transportation issues. The Future of Mobility Forum created interest and commitment among opinion leaders and citizens to improve the community’s urban mobility problems.

“As we continue to implement the One Ford plan, we are investing in a strong future for the region, built on strong products, a great business, and efforts to make this a better world.”

In Brazil, Ford has been the only automaker to sponsor Campus Party, the country’s largest technology event, for three straight years. After introducing the SYNC® AppLink™ in the all-new Ka, Ford held a “hack-a-thon” to take advantage of the talented developer community at the event. The developers created solutions that will help Ford deliver the best in-car technology for our customers.

2014 was also a year of investing in a strong future. We launched the all-new Ka, the second global vehicle designed by our Brazilian engineering team. We also opened a new engine plant in the Ford Northeast Industrial Complex in Camaçari, Brazil, in April. This plant, which created 300 new direct jobs, produces ultra-modern three-cylinder engines for the Ka.

Our employees, as always, deserved our full attention and large investment. In 2014 we continued to expand our employee health programs. Every country in the region implemented specific programs aligned with the overall program’s four pillars: movement, good nutrition, disease prevention and substance-free living. We are now expanding the
program's reach to include employees' families and the communities in which we operate.

As sustainability is a concept permeating all of our production processes, we continued the implementation of state-of-the-art technologies in our South American plants aimed at reducing water use, energy consumption and waste production. Our transmission plant in Taubaté and engine plant in Camaçari both achieved zero-waste-to-landfill status in 2014, which shows how Ford is going further to reduce waste and improve the environment in the communities in which we operate.

2014 was both an exciting and a demanding year in our South American operations. We faced challenging economic conditions, which resulted in decreased sales across the industry and at Ford. Despite these difficult conditions, we maintained our market share in Brazil and South America as a whole and increased market share in Argentina.

As we continue to implement the One Ford plan, we are investing in a strong future for the region, built on strong products, a great business, and efforts to make this a better world.”

Steven Armstrong
President, Ford South America
Our vision is to truly change how the world moves – again. Henry Ford did that a century ago when he manufactured affordable automobiles for the masses, thereby democratizing travel. We believe we have an opportunity to revolutionize transportation once more, only this time we'll be powered by the digital economy. We aim to make the entire transportation experience easier, to improve lives.

We are focused on protecting the freedom of movement of people and goods – a freedom that is being affected by large societal megatrends such as urbanization and increased traffic congestion. To address the risks as well as the opportunities, Ford and society as a whole must change the way we think, collaborate and behave.

Our Blueprint for Mobility

By harnessing the power of our people, our products and our supply chain, we are acting on our Blueprint for Mobility – our multi-decade plan for helping to develop better ways to move people and goods and thereby create a better world. In early 2015, we announced Ford Smart Mobility, which is using innovation to take Ford to the next level in connectivity, mobility, autonomous vehicles, big data and the customer experience. As the first step, in 2014 we kicked off 25 mobility experiments around the globe – all designed to test new mobility concepts and evaluate their impact on the environment, while creating value for our business at the same time. We are also hosting a global Innovate Mobility Challenge series, an open-innovation approach to discovering mobility solutions around the world.

We're tying together the promise of connected and autonomous vehicles with a broader transportation network that can make traveling from Point A to Point B easier than ever, whether in crowded cities or remote rural landscapes. We're developing advanced new vehicles and new mobility solutions that, when coupled with other modes of transportation, will change the way the world moves by improving safety, reducing congestion and lowering greenhouse gas emissions.

By driving toward unfettered access to mobility, we can enable human progress. We view the disruption that's taking place in mobility as something to embrace – not fear. We want Ford to be part of the solution by redefining what's possible.

Mobility Experiments
One of our Smart Mobility innovation challenges is in South America. For our Future of Mobility challenge in Argentina we asked for innovative ideas to reduce traffic jams, which are environmentally and economically sustainable. Urban Shuttle, the challenge winner, is a mass-transit vehicle that allows drivers of two-seat electric shuttle cars to commute into the city together on a bus-shaped car carrier – combining the efficiency of public transportation with the freedom of movement of a private car. By transporting cars into the city center as a group, traffic is reduced, and commuters still have the freedom to move about the city as necessary. Both the bus and cars are electrically powered, reducing emissions.

Also in Argentina, we organized the Future of Mobility Forum in November 2014, which brought together local and international specialists in mobility, technology and innovation in different areas, including urban planning, industry, government and entrepreneurship, among others. The experts provided their perspectives regarding future scenarios and possible solutions to the transport problems of large cities.

Mobility Options for Ford Employees

In line with the Blueprint for Mobility, Ford Argentina is advancing more sustainable mobility options for its employees. Ford Argentina has implemented a carpooling platform for employees at the Pacheco plant. The system gives Ford employees an easy and efficient way to share car trips to work. In this way, the platform helps to reduce travel costs, carbon dioxide emissions and cars on the road in the area. Since its launch in November, 362 employees have registered in the platform and taken more than 290 daily trips. The car-sharing platform, developed by SincroPool, uses an algorithm that searches for matches between drivers and passengers using different criteria so each user can adapt their trips according to their own needs.

READ MORE:

Read more about our efforts to reshape mobility.

Mobility

↑ back to top
Climate Change and Environment

At Ford, we have been working for many years to reduce the environmental impacts of our vehicles and operations.

For example, Ford recognizes the risks and opportunities climate change poses, and we are committed to doing our share to prevent or reduce the potential for environmental, economic and social harm due to climate change. To make good on this commitment, we have analyzed what “doing our share” means according to the science of climate change.

We set emission reduction goals for our products by region and manufacturing operations based on stabilizing the atmospheric concentration of carbon dioxide (CO₂) at 450 parts per million (ppm), the level that many scientists, businesses and governmental agencies believe may avoid the most serious effects of climate change. We are on track to meet the central elements of our strategy. For each of our new or significantly refreshed vehicles, we offer a powertrain with leading fuel economy, and we are reducing greenhouse gas (GHG) emissions across our global product portfolio. We are on track to meet our goals to reduce our facility CO₂ emissions by 30 percent from 2010 to 2025 on a per-vehicle basis, and to reduce our average energy consumed per vehicle by 25 percent from 2011 to 2016 globally.

Vehicles

We are improving the fuel economy of our vehicles in our South America region by introducing some of the efficient engine and transmission technologies currently used in North America, and by offering technologies compatible with the widespread use of biofuels in Brazil.

In Brazil, our largest market in the region, we introduced a 1.6L dual-clutch automatic version of the Ford EcoSport. The Ford Ka and Ka+ lead the compact and medium categories for fuel efficiency in the new Brazilian fuel-efficiency labeling program, due to their low-internal-friction 1L three-cylinder PFI engine.

We offer one electrified vehicle in South America: the Ford Fusion Hybrid, which is available in Brazil and is the most fuel-efficient among all vehicles in this market. We also offer the EcoBoost® engine on the Ford Mondeo and Kuga in Argentina and the Ford Fusion in Brazil. We are introducing Auto Start-Stop technology on the freshened version of the Fusion in Brazil.

We are continuing to implement the new, more-efficient Sigma engine, which improves efficiency compared to current engines through reduced internal friction and improved electronic throttle controls. We have also improved the gearing ratios, aerodynamics and tire rolling resistance of our South American models, further increasing fuel economy.
We have implemented a large number of fuel efficiencies in our B- and C-sized vehicle segments in Brazil.

Ford is also using recycled and/or natural materials in our vehicles in South America. All vehicles locally produced use 5 to 6 kg of recycled material, including PET plastic and other materials in the form of carpets, ceiling linings, wheel boxes and acoustic blanket carpeting. And, the instrument panel of the new cargo trucks is made with sisal natural fiber.

**Sustainable Manufacturing**

We are implementing state-of-the-art technologies and processes at our facilities in South America to reduce our environmental impacts, and these efforts are having significant results. From 2010 to 2014, for example, the Sao Bernardo do Campo (SBC) and Camaçari plants in Brazil reduced water consumption by 60 percent, the equivalent to 40 Olympic-sized swimming pools per plant. We surpassed our goal – several years early – to reduce water use per vehicle produced to 3.8 m$^3$ per vehicle by 2015.

**Water Reduction**

Some examples of the water-saving technologies and processes we have implemented in the region include the following:

- We implemented the Minimum Quantity Lubricant (MQL) process at a new engine plant in Brazil.
- We adopted a dry vehicle cleaning process to wash cars that reduces water use by 90 percent and uses environmentally friendly products.
- We are reusing water from the painting process, which saves approximately 1,200 m$^3$ of water per day – or about half of an Olympic-sized swimming pool.
- We have implemented more efficient water cooling tower processes.
- We are replacing underground water pipes with above-ground pipes, which facilitates the identification and correction of leaks.
- We are installing customized water meters to help improve control of water use and identification and reduction of waste.

**Waste to Landfill**

We are also reducing our waste to landfill and increasing recycling. For example, Ford Argentina recycled 95.7 percent of all waste (hazardous and nonhazardous) generated in the plant in 2014. Examples of our recycling programs in Argentina include the following:

- We recycle all nylon scrap generated in the plant; the nylon is used to manufacture plastic bags for waste collection. In 2014 we recycled 180,460 kilos of plastics.
- We recycled 23,880 kilograms of scrap tires in 2014, helping with a major environmental and health issue.

**Energy Initiatives**

Our plants in the region are also reducing energy use. We were the first automaker in Brazil to voluntarily report our GHG emissions to
We have a rigorous and holistic approach to reducing the overall environmental impacts of our vehicles and facilities across the globe.

Automaker in Brazil to voluntarily report our GHG emissions to the Brazilian Greenhouse Gas Protocol.

READ MORE:

We have a rigorous and holistic approach to reducing the overall environmental impacts of our vehicles and facilities across the globe.

Climate Change and Environment

back to top
Ford South America

Product Quality and Safety

At Ford, we design and manufacture vehicles that achieve high levels of vehicle safety and quality for a wide range of people over a broad spectrum of real-world conditions.

In the most recent Latin NCAP, the new Ford EcoSport and Focus both received five stars for adult protection. The EcoSport and Focus are the first vehicles produced in South America to earn a five-star ranking from the international safety rating organization.

The new EcoSport brings advanced systems for both passive and active protection, to prevent accidents and ensure that the vehicle is in control under various driving conditions. The EcoSport comes with front airbags as standard, offers side curtain airbags as optional and is the only vehicle in its category capable of having child seats installed according to the ISOFIX standard. (ISOFIX is the global standard for child safety seat attachment points.)

The Focus is recognized for its advanced design security and vehicle dynamics. In addition to an ultra-rigid safety cell protected by crumple zones, its arsenal includes dual airbags, front safety belts with a pretensioned limiter, and anti-lock brakes with electronic brake distribution and cornering brake control.

In 2014, we improved all of our primary quality measures in the region. Customer satisfaction was 68 percent, up 3 percentage points compared with 2013, and full-year “things gone wrong” (TGW) was 1,472 per 1,000 vehicles, compared with 1,723 in 2013, a 15 percent improvement. Sales satisfaction with dealer or retailer improved by 3 points compared with 2013, and warranty spending decreased by 11.6 percent in that time.

We have been recognized for the high quality of our vehicles. For example, the Ford Transit was awarded Best Pickup/Utility Launch 2015 by World Transport magazine. This award is based on product quality, including its technology, environmental care and other features.

READ MORE:

- We are relentless in our efforts to improve product quality in all of our regions.
- Ford has a long history of developing and implementing new innovations that improve the safety performance of our vehicles.
- Vehicle Safety and Accident Avoidance

1. Several public and private agencies around the world perform crash testing of vehicles and publish safety
ratings, however these rating systems are relatively new in South America. The Latin NCAP (New Car Assessment Program) began providing ratings on vehicles in South and Central America in 2010. It was developed by Global NCAP, a new nonprofit organization that is promoting the establishment of NCAPs around the world. The most recent test results for Ford vehicles are from November 2013. The Latin NCAP does not test all vehicles each year.

2. Things Gone Wrong, customer satisfaction and warranty spending data are based on model years; sales and service satisfaction data are based on calendar years.
Ford South America

Supply Chain

The automotive supply chain is one of the most complicated of any industry. Automakers like Ford rely on thousands of suppliers to provide the materials, parts and services necessary to make our final products. We promote long-term relationships with our suppliers and seek alignment with them on sustainability-related issues such as human rights, working conditions, conflict minerals and environmental responsibility. We leverage the scale our supply chain to make a positive impact in the markets in which we do business globally.

The basis of our work with suppliers is the Ford Code of Human Rights, Basic Working Conditions and Corporate Responsibility, which applies to our own operations as well as our $100 billion supply chain. The Code addresses workplace issues such as working hours, child labor and forced labor, as well as nondiscrimination, freedom of association, health and safety, the environment and other issues.

We work to ensure that Ford and our suppliers have management systems in place to mitigate potential risks, ensure continuity of supply and improve the overall sustainability of the complex global automotive supply chain. Our aim is to leverage our supply chain – and our industry – to make a positive impact in the markets in which we do business.

Our Approach

Our goals to control costs, improve quality and meet sustainability targets require an unprecedented level of strong relationships and shared commitments with our suppliers. We proactively engage our supplier partners to develop a sustainable supply chain, and we:

1. Communicate our expectations to our suppliers
2. Assess our suppliers for environmental and social performance
3. Build our suppliers’ environmental and social capability
4. Collaborate with industry and cross-industry organizations to develop common solutions in a non-competitive environment

Training for Suppliers

Since 2007, Ford has led or participated in supplier human rights training sessions in Argentina, Brazil, China, India, Mexico, Romania, Russia, Thailand, Turkey and Venezuela. In 2014, we held joint industry trainings through the Automotive Industry Action Group (AIAG) in Russia and conducted independent Ford training sessions in Brazil, China, India, Mexico and Turkey. Overall, we trained more than 280 Ford suppliers – both direct and
indirect. In 2015, Ford intends to participate in training sessions in Brazil, China and Mexico with the AIAG and in South Africa with CSR Europe. We also plan to conduct a Ford-sponsored training in Thailand.

**Building Internal Capability**

We strongly believe it is important to develop not only supplier capability on these important, developing issues of supply chain sustainability, but also our internal capability. In 2014, we trained 175 new Ford Purchasing employees on supply chain sustainability fundamentals. We also provided training to our global Supplier Technical Assistance (STA) team on the basics of our human rights and working conditions program, as these personnel interact with our supplier plants on a regular basis. The STA training reached almost 1,400 individuals globally. In 2015, we have plans to train the broader Ford Purchasing community.

**READ MORE:**

*Read a discussion of our global commitment to supply chain sustainability and detail on the status of our working conditions assessments.*

› Supply Chain

↑ back to top
Ford South America

Our People

Our employees are the drivers behind our successes, and our current manufacturing expansion is the fastest and strongest in 50 years. As we continue to witness surging global demand for our products, we rely ever more deeply on the skills and talents of our dedicated workforce of some 187,000 individuals.

Our employees are crucial to delivering our vision of building great products that contribute to a better world. As such, Ford has maintained a strong focus on employee development – including significant learning opportunities and leadership development as well as diversity and inclusion initiatives to embrace the different perspectives and value of our global employee base.

Health and Safety

We marked the fourth consecutive year of zero fatalities among Ford employees in 2014. However, there were four fatalities among contractors who were involved in construction projects at our facilities. Two of these fatalities occurred in South America – one in Brazil and one in Argentina. As a result, we are continuing to emphasize changing the safety culture not only of our own employees, but also that of the thousands of contractors and vendors we hire to clean our facilities, remove trash and scraps, cook meals in cafeterias and maintain equipment, among other outsourced tasks.

Our South American operations have taken strong leadership in promoting the health of the workforce with a unique approach. In 2013, South America launched health promotion efforts by defining four health pillars:

- Movement
- Good nutrition
- Disease Prevention
- Substance-free living

Each country in the region has developed different initiatives that align with these pillars, based on local conditions and concerns. Some standard initiatives have also been implemented across the region, including designating all facilities, buildings and plants as smoke-free. This was achieved through collaboration and engagement with both salaried and hourly employees and our South American union partners.

The reach of these initiatives goes beyond our employees to the families and communities of our employees. For example, nutrition initiatives are targeted at the entire household, as involvement of the entire family is needed to support success. In addition, we reach out to the community to involve them in...
Diversity

Serving a global customer base requires employees with different viewpoints and perspectives, all working together as members of a skilled and motivated team. So we are committed to promoting and supporting a diverse and inclusive workforce.

We especially need talented women to develop and market our vehicles if we want to reach this demographic. We have a range of programs to encourage and support women in our workforce. For example, in Argentina we launched a new leadership development program focused on developing more women in leadership positions in the region.

READ MORE:

Read more about how we support our people in all of our regions.

Our People

↑ back to top
We have launched Operation Better World to provide a coordinated, strategic approach to community engagement.

**Communities**

Engaging with and investing in communities is more than the right thing to do; it’s also smart business. Our global company is only as strong as the local communities in which our employees and customers live and work, so it is in our mutual interest that we work with communities to make meaningful contributions to improve the quality of life. For us, it is not just about donating money. It’s also about building partnerships and working with others to address the difficult challenges so many people are facing.

Our community support is aligned with our company goals and our One Ford plan. One of the outputs of One Ford is to build a better world, and so reaching out and providing assistance to our communities is an essential part of what we do.

**Operation Better World**

As we continue to expand our business in new markets across the globe, we are also expanding our community investment and volunteering efforts internationally. In 2014 we extended the global reach of our Operation Better World program. Launched in 2012, Operation Better World is a coordinated, strategic approach to how Ford engages with communities everywhere that we do business. We initially launched this program in three markets outside of the U.S. By 2015, the program had grown to reach 39 markets around the world. In 2015, we will be expanding the program to our Middle East and Africa region.

Through the Operation Better World program, the Ford Fund, our community relations arm, works with nongovernmental organization (NGO) partners in four key areas: education, auto safety, community needs and sustainability (with a focus on water). The Ford Fund oversees these programs to ensure that they meet local community needs, align with the One Ford business plan, have a measurable impact and, where possible, can be replicated in other markets. This grassroots engagement in the community is implemented and led by local Ford teams in each region.

**A Positive Impact on Communities**

We have a long history of supporting communities in South America. In 2014, we introduced several new programs in the region. For example, in Bahia, Brazil, we implemented environmental education projects for students in municipal schools. As part of this program we distributed 10,000 eco-friendly backpacks with notebook and pencil kits. The backpacks were made by the nonprofit organization Axe from discarded, cleaned industrial uniforms. As part of the backpack production, 10 women were trained in cutting
In Argentina, we continued a school-building program begun by Ford dealers in 1968. As part of this program, we have rebuilt 21 school buildings originally built by Ford Argentina and its dealers between 1968 and 1982. In 2015, we also celebrated the 50th anniversary of the Henry Ford Technical School, which was founded on April 6, 1965, by Ford Motor Argentina and is located at the Pacheco Industrial Center. The school has 210 students currently attending classes and 1,188 graduates. It is open to boys and girls from the community. Approximately 100 graduates of the school are currently working at Ford Argentina – as trainees, full-time employees, managers and even directors.

Also in Argentina we supported three major educational programs in conjunction with local nonprofits. We supported anti-bullying workshops for 5,500 pupils from 56 elementary schools; we helped 30 vulnerable high school students with economic and social support so they could continue their studies; and we supported university scholarships for low-income students.

**Ford's Global Week of Caring**

As part of our 2014 Global Week of Caring, Ford employees volunteered their time to benefit the region, including in the following ways:

- Ford Argentina organized a day of volunteering work with the Food Bank Foundation of Buenos Aires. The volunteers dedicated three hours of work, during which they sorted 500 kg of food, enough to make 3,000 meals.

- Also in Argentina, 15 employees collaborated with the blood bank of Municipal Hospital of Tigre City in Buenos Aires as part of a blood drive.

- More than 35 employees in Argentina helped build houses for low-income families, working with Habitat for Humanity and Techo, a local nonprofit.

- Ford Argentina employees worked with Agua y Juventud a local nonprofit, to install pipelines, tanks and pumps to provide drinkable water for poor communities.

- In Brazil, Ford employees helped refurbish an education center run by the Projeto Meninos e Meninas de Rua organization in São Bernardo do Campo. This local nonprofit helps children and adolescents living on the streets.

- Ford Brazil volunteers also helped refurbish facilities at two other Brazilian educational nonprofits: the Creche Emanue, which serves about 50 children in the Camaçari area, and Lar Donato Flores, which focuses on professional training for teenage girls in Tatui.

- Ford employees also volunteered at the Associação para Síndrome de Down.

- Ford Venezuela opened its gates for 50 children as part of a “Conduciendo nuestro
We are engaging with and investing in our communities across the globe.

READ MORE:

We are engaging with and investing in our communities across the globe.

Communities

↑ back to top
Ford Middle East and Africa

In 2014, Ford established a new Middle East and Africa (MEA) business unit, which brings together the company's automotive business in 67 markets in North Africa, Sub-Saharan Africa, Southern Africa and the Middle East.

Though we have just formed this business unit, we have a long history in these markets, selling vehicles here for 90 years. Our MEA operations include two manufacturing plants and employ approximately 3,500 people in the region.

Performance Highlights

- Formed new business unit for the Middle East and Africa in 2014.
- Announced plans to launch 25 vehicles in the region – including 17 in South Africa and Sub-Saharan Africa – by 2016, including the Ford Fusion, Focus and Mustang.
- Announced we will accelerate the rollout of technologies that enhance the sustainability of our vehicles, including the fuel-efficient EcoBoost® range of engines, SYNC® in-car connectivity, and vehicle safety technologies such as inflatable rear seat belts, MyKey® and other driver assist technologies.
- At Ford's Silverton Plant in South Africa, implemented major water recycling initiatives and are now recycling about five times more water than in previous years, increasing recycled water from 7 percent to 40 percent.
- Implemented 20 community investment projects in the region as part of our 2014 Global Week of Caring program.
Year in Review

Welcome

“A century ago Henry Ford had a vision to open the highways to all mankind. By establishing a new business unit for the Middle East and Africa region, we are seeking to tap the innovation and imagination that’s flourishing here, helping us to bring our founder’s vision to this part of the world.

This is a rapidly changing, fast-growth market. The total Middle East and Africa car market is expected to grow 40 percent by the end of the decade, to 5.5 million vehicles. The Middle East and Africa is the final frontier for global automotive growth, and we are putting the infrastructure and people in place to participate in this growth.

To meet new customer demand, we have pledged to launch 25 vehicles in the region by 2016. The Middle East and Africa region spans from Saudi Arabia to South Africa and from Nigeria to Kenya, so customer tastes are as diverse as our markets. Thanks to our One Ford plan, we can offer vehicles and technology that customers want and value, tailored to the needs of our markets.

“Our intention is to grow the Ford business while staying true to our principles of being active and supportive members of the community in the Middle East and Africa.”

As we accelerate the introduction of our new products in the Middle East and Africa, we are building a full family of vehicles offering the very best quality, fuel efficiency, safety, smart design and value. We are also expanding our rollout of technologies that enhance the sustainability of our vehicles and build toward our vision for new mobility. For example, we are implementing fuel-efficient EcoBoost® engines, SYNC® in-car connectivity, and vehicle safety technologies such as inflatable rear seat belts, MyKey® and other driver assist technologies.

Our intention is to grow Ford’s business here while staying true to our principles of being active and supportive members of the communities and the future of the Middle East and Africa region.”

Jim Benintende
President, Ford Middle East and Africa

↑ back to top
Ford Middle East and Africa

Mobility

Changing times are creating exciting new opportunities for our business. At Ford, we’re not just about making vehicles. We’re focused on innovative, sustainable solutions for future global mobility. We’re leveraging our people, products and supplier partners to deliver mobility solutions.

Around the world, we are beginning to act on our Blueprint for Mobility – our multi-decade plan for helping to develop better ways to move people and goods and thereby create a better world. In early 2015, we announced Ford Smart Mobility, which is using innovation to take Ford to the next level in connectivity, mobility, autonomous vehicles, big data and the customer experience. As the first step, in 2014 we kicked off mobility experiments around the globe – all designed to test new mobility concepts and evaluate their impact on the environment, while creating value for our business at the same time. We are also hosting a global Innovate Mobility Challenge series, an open-innovation approach to discovering mobility solutions around the world.

We are at the early stages of our mobility journey in the Middle East and Africa. But we do have one mobility innovation challenge in the region. In Johannesburg, South Africa, we offered a challenge focused on adding value to vehicles, especially commercial vehicles, by creating innovative accessories that increase a vehicle’s utility. The winner of the challenge – Derek Tabor from the United States, with his Secondary Power Management System proposes constructing an electrical system independent of the primary system already available in the vehicle. It enables multiple devices to be charged – such as lights, communications and refrigeration equipment, computers and more – while allowing the vehicle to operate regardless of the increased electrical draw.

READ MORE:

Read more about our efforts to reshape mobility.

Mobility
Year in Review

Ford Middle East and Africa

Climate Change and Environment

At Ford, we have been working for many years to reduce the environmental impacts of our vehicles and operations.

For example, we recognize the risks and opportunities climate change poses, and we are committed to doing our share to prevent or reduce potential harm due to climate change. To make good on this commitment, we have analyzed what “doing our share” means according to the science of climate change.

We set emission reduction goals for our products by region and manufacturing operations based on stabilizing the atmospheric concentration of carbon dioxide (CO₂) at 450 parts per million (ppm), the level that many scientists, businesses and governmental agencies believe may avoid the most serious effects of climate change. We are on track to meet the central elements of our strategy.

For each of our new or significantly refreshed vehicles, we offer a powertrain with leading fuel economy, and we are reducing greenhouse gas emissions across our global product portfolio. Also, we are on track to meet our goals to reduce our facility CO₂ emissions by 30 percent from 2010 to 2025 on a per-vehicle basis, and our average energy consumed per vehicle by 25 percent from 2011 to 2016 globally.

Vehicles

In line with our global strategy, we continue to expand the number of vehicles equipped with our Ecoboost® range of engines, from 1.0L to 3.5L. In 2014 and early 2015, we are expanding EcoBoost engines across a selection of our vehicles in the region, from the Ford Fiesta to the Expedition.

Sustainable Manufacturing

We have five-year sustainable manufacturing strategies for water, landfill waste and emissions. The ambitious targets embedded in these strategies would see the average Ford vehicle using 30 percent less water and creating 70 percent less waste to landfill in manufacturing over the next five years.

As part of this strategy, Ford’s Silverton plant in South Africa implemented major water recycling initiatives and is now recycling more than five times more water than in previous years, increasing recycled water from 7 percent to 40 percent.

READ MORE:

We have a rigorous and holistic approach to reducing the overall environmental impacts of our products.
vehicles and facilities across the globe.

Climate Change and Environment

↑ back to top
Ford Middle East and Africa

**Product Quality and Safety**

At Ford, we design and manufacture vehicles that achieve high levels of quality and vehicle safety for a wide range of people over a broad spectrum of real-world conditions.

In 2014, in the Middle East and Africa region, three of our key measures of vehicle quality improved compared to 2013:

- Full-year "things gone wrong" (TGW) was 1,046 per 1,000 vehicles, compared with 1,311 in 2013, a 20 percent improvement.
- Warranty spending decreased by 5.6 percent compared to 2013.
- Sales satisfaction with dealer or retailer improved 2 points from 2013 to 2014. Service satisfaction with dealer or retailer was unchanged in that time.  

Across North Africa and the Middle East there is an increasing emphasis on raising vehicle safety standards. Governments in the region are both planning and implementing regulations to raise vehicle standards.

**Encouraging Safer Driving**

Driver behavior is a key contributing factor in many vehicle crashes. We at Ford have developed and support an array of programs and technologies that help to encourage safer behavior on the roads, for both experienced and novice drivers.

In many Middle Eastern and African markets the number of people of all ages who are driving a car for the first time is increasing rapidly, and the percentage of first-time drivers is higher than in more developed countries. In these markets, therefore, Ford Driving Skills for Life (Ford DSFL) – our premier driver education program – is aimed at novice drivers of all ages.

In the Middle East and Africa region, we launched Ford DSFL in 2012 in Dubai, United Arab Emirates, and we expanded it to Saudi Arabia in 2014. In 2015, we plan to expand the program to Oman, Bahrain and Qatar, and within the United Arab Emirates.

**READ MORE:**

- We are relentless in our efforts to improve product quality in all of our regions.
- Ford has a long history of developing and implementing new innovations that improve the safety performance of our vehicles.
- Customer Satisfaction and Quality
- Vehicle Safety and Accident Avoidance

1. Middle East data is based on the following countries: Saudi Arabia, Kuwait, United Arab Emirates, Oman,
Bahrain, Qatar, Jordan, Iraq, Lebanon and Afghanistan. Middle East data does not include South Africa.


↑ back to top
Ford Middle East and Africa

Supply Chain

The automotive supply chain is one of the most complicated of any industry. Automakers like Ford rely on thousands of suppliers to provide the materials, parts and services necessary to make our final products. We promote long-term relationships with our suppliers and seek alignment with them on sustainability-related issues such as human rights, working conditions, conflict minerals and environmental responsibility.

The basis of our work with suppliers is the Ford Code of Human Rights, Basic Working Conditions and Corporate Responsibility, which applies to our own operations as well as our $100 billion supply chain. The Code addresses workplace issues such as working hours, child labor and forced labor, as well as nondiscrimination, freedom of association, health and safety, the environment and other issues.

We work to ensure that Ford and our suppliers have management systems in place to mitigate potential risks, ensure continuity of supply and improve the overall sustainability of the complex global automotive supply chain. Our aim is to leverage our supply chain – and our industry – to make a positive impact in the markets in which we do business.

Our Approach

Our goals to control costs, improve quality and meet sustainability targets require an unprecedented level of strong relationships and shared commitments with our suppliers. We proactively engage our supplier partners to develop a sustainable supply chain. Specifically, we:

1. Communicate our expectations to our suppliers
2. Assess our suppliers for environmental and social performance
3. Build our suppliers’ environmental and social capability
4. Collaborate with industry and cross-industry organizations to develop common solutions in a noncompetitive environment

Training for Suppliers

Since 2007, Ford has led or participated in supplier human rights training sessions in Argentina, Brazil, China, India, Mexico, Romania, Russia, Thailand, Turkey and Venezuela. In 2014, we held joint industry trainings through the Automotive Industry Action Group (AIAG) in Russia and conducted independent Ford training sessions in Brazil, China, India, Mexico and Turkey. Overall, we trained more than 280 Ford suppliers – both direct and indirect. In 2015, Ford intends to participate in training sessions in Brazil, China and Mexico with the AIAG and in South Africa with CSR Europe. We also plan to conduct a
We have made a global commitment to supply chain sustainability. Read more about the status of our working conditions assessments.

Ford-sponsored training in Thailand.

**Building Internal Capability**

We strongly believe it is important to develop not only supplier capability on these important, developing issues of supply chain sustainability, but also our internal capability. In 2014, we trained 175 new Ford Purchasing employees on supply chain sustainability fundamentals. We also provided training to our global Supplier Technical Assistance (STA) team on the basics of our human rights and working conditions program, as these personnel interact with our supplier plants on a regular basis. STA training reached almost 1,400 individuals globally. In 2015, we have plans to train the broader Ford Purchasing community.

**READ MORE:**

- Supply Chain
- Human Rights and Working Conditions in Our Supply Chain
Ford Middle East and Africa

Our People

Our employees are crucial to delivering our vision of building great products that contribute to a better world.

As such, Ford has maintained a strong focus on employee development – including significant learning opportunities, leadership development, as well as diversity and inclusion initiatives to embrace the different perspectives and value of the global employee base.

The head office of Ford Middle East and Africa (MEA) is based in the Dubai Emirate in the United Arab Emirates, which provides an ideal location given its access to the rest of MEA. Dubai also provides us with one of the most diverse workforces in the world. As of early 2015, for example, our Dubai offices employed more than 100 people from 20 different nationalities. This provides Ford with the skills and diversity to support growth in the MEA region.

READ MORE:
Read more about how we support our people in all of our regions.

Our People

back to top
Communities

Engaging with and investing in communities is more than the right thing to do; it’s also smart business. Our global company is only as strong as the local communities in which our employees and customers live and work, so it is in our mutual interest that we work with communities to make meaningful contributions to improve the quality of life. For us, it is not just about donating money. It’s also about building partnerships and working with others to address the difficult challenges so many people are facing.

Our community support is aligned with our company goals and our One Ford plan. One of the goals of One Ford is to build a better world, and so reaching out and providing assistance to our communities is an essential part of what we do.

Operation Better World

As we continue to expand our business in new markets across the globe, we are also expanding our community investment and volunteering efforts internationally. Launched in 2012, Operation Better World is a coordinated, strategic approach to how Ford engages with communities everywhere that we do business. The Ford Fund, our community relations arm, launched this program initially in three markets outside the U.S. By 2015, the program had grown to reach 39 markets around the world. In 2015, we will be expanding the program to our Middle East and Africa region.

Through this program, the Ford Fund works with nongovernmental partners in four key areas: education, auto safety, community needs and sustainability (with a focus on water). The Ford Fund oversees these programs to ensure that they meet local community needs, align with the One Ford business plan, have a measurable impact and, where possible, can be replicated in other markets. This grassroots engagement in the community is implemented and led by the local Ford teams in each region.

A Positive Impact on Communities

We have a long history of supporting communities in the Middle East and Africa. As part of our 2014 Global Week of Caring, for example, Ford employees engaged in nearly 20 community projects in the region. The following are several examples:

- In Angola, Ford employees worked with the Angola Environmental Ministry to teach children and other community members about recycling and environmental issues. As part of the project, we donated educational materials and recycling bins, and facilities were organized and cleaned to facilitate better waste management.
• In Ghana, Ford employees helped to build water wells at a school for deaf children, improving access to clean water.

• In Nigeria, Ford volunteers supported efforts to improve waste management in local communities, including donating waste bins. We also volunteered at local schools to rehabilitate classroom blocks, provide and repair classroom chairs and desks, and provide books, stationery and other writing materials, to help create a healthy educational environment.

• In South Africa, Ford volunteers participated in multiple projects, many focused on providing access to clean water or improving facilities at and donating supplies to local community centers, soup kitchens, schools and nursing homes. Employees also renovated and converted five shipping containers to provide housing for 10 families in Boysens Park within the Vastrap Community. The project took three weeks to complete and was the result of thousands of man-hours and countless Ford volunteers dedicating their time and skills to transforming these containers into safe and secure housing units.

READ MORE:
We are engaging with and investing in our communities across the globe.

› Communities

↑ back to top
About This Report

Welcome to Ford’s 16th annual report on our sustainability progress. At Ford, we see reporting as an ongoing, evolving process, not an annual exercise. We expect our reporting to evolve further still and invite your feedback on this Report, as well as our approach to reporting, at sustaina@ford.com.

This Report covers the year 2014 and early 2015. The data are primarily for 2014 (for operations) and for the 2014 and 2015 model years (for vehicles). In addition to this full online Report, we publish an eight-page summary report for use by employees, customers and other stakeholders. Our most recent previous report was released in June 2014.

Data in this Report are subject to various forms of assurance as discussed below and noted in the data tables. The summary report was reviewed by Ford’s top executives and the Sustainability and Innovation Committee of the Board of Directors.

This Report is in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines at the Comprehensive level. See the GRI Content Index for a complete listing of the GRI indicators. More information on the GRI Guidelines can be found on the GRI website.

This Report also serves as Ford’s annual United Nations Global Compact (UNGC) “Communication on Progress,” as it includes discussion of Ford’s implementation of the 10 principles of the UNGC and support for broad U.N. development goals. Please see the UNGC Index for information on where the UNGC principles are covered in this Report.

Consistent with the GRI Guidelines’ guidance on boundary setting, the data in this Report cover all of Ford Motor Company’s wholly and majority-owned operations globally, unless otherwise noted. Boundaries for each material issues are noted in the materiality analysis section. Data measurement techniques, the bases of calculations, changes in the basis for reporting, or reclassifications of data previously reported are noted in the data charts.

Stakeholder Review of Report

For this Sustainability Report and our previous eight reports, Ceres convened Stakeholder Committees to advise us. Ceres leads a national coalition of investors, environmental organizations and other public interest groups working with companies to address sustainability challenges. Ford agreed to work with a stakeholder team that was selected for us by Ceres. The Ceres Stakeholder Committee that was convened is an independent group of individuals drawn primarily from the Ceres coalition and representing a range of constituencies that have expertise in environmental, social and governance issues.

The Committee reviewed past reports, the draft materiality matrix and the outline for this 2014/15 Sustainability Report. The Committee met once by teleconference, and some
members provided input to Ceres outside of the meeting.

The Committee provided a range of recommendations, including the following:

- Describe mobility in the context of both sustainability and business strategy and connect it to Ford's climate change goal.
- Publicly support climate change mitigation policies.
- Discuss how progress toward Ford's climate goal and glide paths is assessed.
- Set renewable energy production goals.
- Use the UN Guiding Principles Reporting Framework for human rights in the supply chain.
- Encourage supplier sustainability goal setting.
- Disclose more information about supplier performance on assessments.
- Set additional product quality and safety goals.
- Adjust the position of several issues in the materiality matrix and thoroughly document the materiality analysis process.
- Discuss data privacy, cybersecurity and other concerns associated with technology and wireless connectivity.
- Discuss electromagnetic fields generated by vehicle components and technologies.

**Ford Actions in this Report**

We responded to Committee recommendations in a number of ways, including the following:

- The importance of innovative mobility solutions to Ford's sustainability and business strategies is expressed in a variety of places in this Report. “Global Mobility through Changing Times” is the theme of the Report and one of the themes of the joint letter from the CEO and the executive chairman. We have included a top-level section on mobility that discusses Ford's strategy and how it responds to global megatrends, including climate change, resource scarcity and air pollution.
- The process for assessing progress toward Ford's climate change goal is discussed in the Climate Change section.
- We adjusted the position of several issues - mobility innovation, financial health and dealer relationships - in the materiality matrix to reflect the level of stakeholder interest in those topics and provided additional detail on the materiality process and the role of “megatrend amplifiers” in identifying and prioritizing material issues.
- This report includes new information on data privacy and electromagnetic fields, as well as a first-person “voice” from Ford's global chief data and analytics officer.
- The supply chain section includes expanded data about supplier performance on assessments.

Recommendations that were not responded to in this report will be considered for future reporting and treated as an input to our materiality analysis process.

**Data Assurance**

Some of the data in our reports have been subject to various forms of internal and third-party verification, as follows:

- Financial data were audited for disclosure in the Ford Annual Report on Form 10-K.
- Verification data is not yet available for Ford's 2014 global facility greenhouse gas (GHG) emissions. One hundred percent of Ford's 2013 global facility GHG emissions are third-party verified to limited assurance. Seventy-three percent of Ford's 2013 global facility GHG emissions are third-party verified to a reasonable level of
assurance. In addition, all of our European facilities impacted by the mandatory EU Emissions Trading Scheme (EU-ETS) are third-party verified. All EU-ETS verification statements are provided to Ford, by facility, from Lucideon (formerly CICS) for U.K. facilities, Lloyds for Spain, Intechnica for Germany and SGS for Belgium. North American facilities are verified against the Climate Registry's General Reporting Protocol. European facilities are verified against the EU-ETS rules and guidelines.

- Ford voluntarily reports facility carbon dioxide emissions to national emissions registries or other authorities in the U.S., Canada, Mexico, Argentina, Australia, Brazil, China and Taiwan.
- Various environmental data are reported to regulatory authorities.
- Ford's facility environmental data are managed using our Global Emissions Manager database, 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.

1. This synopsis draws from a summary of the stakeholder engagement process prepared by Ceres; however, it does not cover every point raised and was not reviewed by the participating stakeholders. The engagement was conducted under Chatham House Rules. Therefore we are not able to attribute recommendations to specific stakeholders as that information is confidential.
GRI Content Index

This Report is ‘In Accordance’ with the Global Reporting Initiative’s (GRI) G4 Guidelines – Comprehensive option. Please download our full GRI Content Index for a listing of the GRI indicators and our responses.

For a detailed explanation of the indicators, visit the GRI website.

Download GRI Content Index (pdf, 1.15Mb)
In 2008 Ford joined the United Nations Global Compact, which endorses a framework of principles in the areas of human rights, labor and the environment. We continue to be committed to the principles and are actively implementing them as detailed in this report.

Mark Fields  
President and Chief Executive Officer

### Human Rights

**UNGC Principle** | **Report Links**
--- | ---
1. Businesses should support and respect the protection of internationally proclaimed human rights. | Policy Letters and Directives
| Ethical Business Practices
| Human Capital Management
| Community Engagement and Investment

2. Businesses should make sure that they are not complicit in human rights abuses. | Policy Letters and Directives
| Human Capital Management
| Human Rights and Working Conditions in Our Supply Chain
| Conflict Minerals in Our Supply Chain

### Labor Standards

**UNGC Principle** | **Report Links**
--- | ---
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | Working at Ford – Employees
| Policy Letters and Directives
| Human Capital Management

4. Businesses should uphold the elimination of all forms of forced and compulsory labor. | Policy Letters and Directives
| Community Engagement and Investment
| Human Rights and Working Conditions in Our Supply Chain

5. Businesses should uphold the effective abolition of child labor. | Policy Letters and Directives
| Community Engagement and Investment
| Human Rights and Working Conditions in Our Supply Chain

6. Businesses should uphold the elimination of discrimination in | Policy Letters and Directives
Environment

UNGCE Principle

7. Businesses should support a precautionary approach to environmental challenges.

Notes: The precautionary principle is the idea that if the consequences of an action are unknown, but are judged to have some potential for major or irreversible negative consequences, then it is better to avoid that action. We do not formally apply the precautionary principle to decision making across all of our activities. However, it has influenced our thinking. For example, in addressing climate change as a business issue, we have employed this principle. In addition, we assess and manage environmental, safety, supply chain, operational and other risks as described throughout this report.

8. Businesses should undertake initiatives to promote greater environmental responsibility.

9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

UNGCE Principle

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Report Links

> Climate Change
> Climate Change Risks and Opportunities

> Policy Letters and Directives
> Climate Change
> Greening Our Operations
> Greening Our Products
> Sustainable Materials
> Water
> Spotlight: Reinventing the Ford F-150

> Greening Our Operations
> Greening Our Products
> Sustainable Materials
> Sustainable Technologies and Alternative Fuels Plan
> Vehicle Fuel Efficiency and CO2 Emissions Progress and Performance

↑ back to top