

W0. Introduction

W0.1

**(W0.1) Give a general description of and introduction to your organization.**

Ford Motor Company is a global automotive company based in Dearborn, Michigan with 48 plants and about 173,000 employees worldwide. Our core business includes designing, manufacturing, marketing, financing and servicing Ford trucks, utility vehicles, and cars – increasingly including electrified versions – and Lincoln luxury vehicles. The company provides financial services through Ford Motor Credit Company, LLC (“Ford Credit”) which is wholly owned and fully consolidated. At the same time, Ford is pursuing leadership positions in electrification, self-driving, and connected vehicle services.

Contributing to a better world is a core value at Ford, and our commitment to sustainability is a key part of who we are as a company. Guided by our purpose to help build a better world where every person is free to move and pursue their dreams, our vision is to create a more dynamic and vibrant company that improves people’s lives around the world while creating value for all stakeholders. Ford is committed to being fully carbon neutral worldwide across our vehicles, facilities and suppliers by no later than 2050, and recently announced we have implemented new science-based targets towards this ambition, in line with terms of the Paris Climate Agreement. The risks and opportunities associated with the changing climate are shaping the way we do business, from offering electrified versions of our popular models by investing more than \$30 billion through 2025, to a global carbon reduction strategy focused on powering our facilities with 100% local, renewable and zero carbon energy. Ford is continuously rethinking the way we use energy at our manufacturing facilities and other sites to help address climate change. We’re creating high-performing, high-quality vehicles in environmentally and socially responsible ways, and reducing the effects of our operations and supply chains through world-class facilities. By using renewable and recycled materials in our vehicles, we’re reducing waste, using fewer natural resources and improving vehicle quality and performance. Beyond minimizing our impact on the environment, Ford is committed to creating a net positive contribution to society the environment. Through our work in advancing our planet we are contributing to the following UN SDGs – Good Health and Well-Being, Clean Water and Sanitation, Affordable and Clean Energy, Decent Work and Economic Growth, Industry, Innovation and Infrastructure, Sustainable Cities and Communities, Responsible Consumption and Production, and Climate Action.

Our environmental Aspirational Goals include achieving carbon neutrality globally no later than 2050, attaining zero air emissions from our vehicles and facilities, using 100% carbon-free electricity in all manufacturing plants globally by 2035, reaching true zero waste to landfill across our operations, eliminating single-use plastics from our operations by 2030, aspiring to use only recycled and renewable content in vehicle plastics, making zero water withdrawals for manufacturing processes, and aspiring to use freshwater for human consumption only. 2035 targets for our vehicles and manufacturing facilities have been approved by the Science Base Target Initiative.

For us, mobility is about human progress and making people’s lives better in mature economies and major cities as well as helping solve problems in areas of the world that tend to be under-served by technology advances. We are reimagining what mobility will look like and foresee clean, smart vehicles communicating with each other, as well as the road infrastructure and public transit systems, orchestrated by open cloud-based platforms. We also promote safer behavior through a range of driver assist and semi-autonomous technologies. To help build a better world, we are doing our part to help meet the collective challenges the world faces across a range of sustainability issues and developing strategies to address them. We aim to earn trust, drive progress and make positive impacts. Ford has years of experience promoting supplier environmental disclosure through the CDP Supply Chain program Climate & Water questionnaires. We have also shared Ford facilities’ best practices in reducing our environmental footprint with key suppliers through our Partnership for A Cleaner Environment (PACE) program which has transitioned to Manufacture 2030. In 2022, Ford communicated updated supplier environmental requirements via our new Supply Chain Code of Conduct, including the requirement to establish science-based GHG reduction targets and report Scope 1, 2, and 3 emissions upon request. Ford suppliers are required to minimize their impact on climate change by establishing science-based GHG reduction targets.

W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

**(W0.3) Select the countries/areas in which you operate.**

- Argentina
- Canada
- China
- Germany
- India
- Mexico
- Romania
- South Africa
- Spain
- Taiwan, China
- Thailand
- Turkey
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Viet Nam

**W0.4**

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

**W0.5**

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

**W0.6**

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

**W0.6a**

**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Commercial office buildings and facilities not associated with manufacturing.	The use of water in office buildings is excluded because many Ford office buildings are leased and Ford does not have direct control over the water usage. Also, the amount of water used in office buildings is minor (less than 2 megaliters per year) and represents 0.01% of total reported 2022 withdrawal compared to the amount of water used in manufacturing plants (withdrawals in the range of 15,400 megaliters per year). Commercial office buildings and facilities not associated with manufacturing are, however, encouraged to independently develop programs to monitor, track and reduce water usage.

**W0.7**

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	US3453708600
Yes, a Ticker symbol	F

**W1. Current state**

**W1.1**

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Direct use of freshwater is vital for operations because Ford uses water in many key manufacturing processes, including vehicle painting, cooling towers, and machining of powertrain components as well as for employee use (WASH). Indirect freshwater use is also important to operations. Ford is a large purchaser of materials, parts and components that use water in their manufacture such as aluminum, steel, rubber, and plastics. A lack of good quality freshwater can have an appreciable impact on our direct and indirect operations hence the rating of "vital for operations" and "important". Ford expects that sufficient amounts of good quality freshwater available for use will continue to be vital for direct use in the future, as our core manufacturing processes will be the same. We expect that our suppliers will continue to depend on access to water for operations and that water scarcity concerns will continue to emerge globally, due to the increased demand and variable supply.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Ford uses water in many key manufacturing processes, and direct use of recycled, brackish and/or produced water is currently important for Ford facilities in water scarce regions to ensure enough water for all production needs without significantly reducing available freshwater. We expect it to continue to be important in the future, and may become vital as water scarcity continues to increase globally. Ford has an ultimate goal of zero water withdrawal for its manufacturing processes, and the availability of sufficient amounts of recycled water will help us achieve this goal. In our manufacturing plant in Valencia, Spain the concentrate of a Reverse Osmosis (R/O) installation feeds another stage of R/O unit as raw water to improve the overall efficiency and to optimize the water balance. Indirect use of recycled water by our suppliers is important for continuity of supply, especially in water scarce regions. Our suppliers report reuse of reverse osmosis reject water for painting operations and treated wastewater for irrigation. We expect water scarcity to increase in some regions in the future, which will keep the ranking as "important". Water recycling will reduce freshwater dependence.

**W1.2**

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Ford manufacturing facility obtains the data from water bills and enters it into a corporate database monthly.	Ford's standard practice is to measure and monitor incoming water at 100 percent of sites. Each Ford manufacturing facility obtains the data from water bills and enters it into a corporate database monthly. Water use is vital for manufacturing operations and community use, therefore it is important to track actual usage as a baseline for water goal setting.
Water withdrawals – volumes by source	100%	Monthly	Ford manufacturing facility obtains this data from water bills and enters it into a corporate database monthly.	Ford's standard practice is to measure and monitor incoming water at 100 percent of sites. Water sources include city, surface, well, and gray water (wastewater). It is important to understand the source of the water withdrawal from a watershed impact perspective and as a baseline for goal setting. Each Ford manufacturing facility obtains this data from water bills and enters it into a corporate database monthly.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Continuously	Monitoring is done by sampling and analysis, with TDS (Total Dissolved Solids)and conductivity being commonly monitored.	Water used in production processes must meet strict quality standards and therefore is measured and monitored in all Ford facilities. The frequency of monitoring varies depending on the consistency of the water source, availability of pre-treatment at the plant and the criticality of the operation in which it is used. Monitoring frequency can range from daily to monthly to annually. Monitoring is done by sampling and analysis, with TDS (Total Dissolved Solids)and conductivity being commonly monitored.
Water discharges – total volumes	100%	Monthly	Process water discharge volumes are monitored by a combination of continuous flow meters and batch volume determinators. Each Ford manufacturing facility then enters this data monthly into a corporate database.	Ford's standard practice is to measure and monitor process water discharge at 100 percent of sites. Process water discharge can be measured or calculated. Discharge data provides a key data point to calculate consumption. Process water discharge volumes are monitored by a combination of continuous flow meters and batch volume determinators. Each Ford manufacturing facility then enters this data monthly into a corporate database. Discharge data provides a key data point to calculate consumption. Sanitary is only able to be measured at sites that have sanitary meters.
Water discharges – volumes by destination	100%	Monthly	Ford manufacturing facility enters this data monthly into a corporate database.	Ford's standard practice is to measure and monitor process water discharge at 100 percent of sites. Tracking destination provides data regarding how watersheds may be affected. Process water discharge can be measured or calculated. Discharge data provides a key data point to calculate consumption. Process water discharge volumes are monitored by a combination of continuous flow meters and batch volume determinators. Each Ford manufacturing facility enters this data monthly into a corporate database. Sanitary is only able to be measured at sites that have sanitary meters.
Water discharges – volumes by treatment method	100%	Monthly	Process water discharge volumes are monitored by a combination of continuous flow meters and batch volume determinators. Each Ford manufacturing facility enters this data monthly into a corporate database.	Ford's standard practice is to measure and monitor process water discharge at 100 percent of sites. Process water discharge can be measured or calculated. Discharge data provides a key data point to calculate consumption. Process water discharge volumes are monitored by a combination of continuous flow meters and batch volume determinators. Each Ford manufacturing facility enters this data monthly into a corporate database. Sanitary is only able to be measured at sites that have sanitary meters.
Water discharge quality – by standard effluent parameters	100%	Yearly	Commonly measured parameters are TDS (Total Dissolved Solids) and zinc and methods are lab analysis or in-line measurement.	Ford's discharges are subject to many regulatory requirements, therefore we measure and monitor standard effluent parameters and report to the appropriate regulatory agencies as required. Frequency of monitoring and parameters monitored vary by facility depending on discharge permits, ranging from batch to weekly to annual to continuous. Commonly measured parameters are TDS (Total Dissolved Solids) and zinc and methods are lab analysis or in-line measurement.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	The majority of Ford's water discharge (over 97%) goes to an additional facility for treatment, and thus the final emissions released to the environment are unknown. For the Ford sites that have direct discharge to surface waters (<0.4% of global discharges), our emissions are measured in concentrations and we do not convert to loading as it is not regulated in this manner. Additionally, the wastewater from direct dischargers is biologically treated for nutrients and other priority pollutants. We do not anticipate that this metric will be relevant in the future due to the low volumes and our discharge permits are concentration-based limits.
Water discharge quality – temperature	Not relevant	<Not Applicable>	<Not Applicable>	Ford's water discharges are generally an ambient temperature, so this is not a relevant metric for Ford. We expect Ford's discharges to be at ambient temperature in the future, therefore we do not expect this metric to be relevant in the future.
Water consumption – total volume	76-99	Continuously	Consumption data is obtained from water assessments performed at select Ford facilities.	Ford does not separately calculate consumption at each facility on an ongoing basis. This decision is continually reassessed via the water assessments performed each year. Consumption data is obtained from water assessments performed at select Ford facilities. As of 2022, a third party has conducted water assessments at Ford facilities. These assessments indicate that consumption associated with water incorporated into the product are not material.
Water recycled/reused	100%	Continuously	We monitor 100% of the facilities that have end of pipe wastewater recycling at least monthly using meters.	We monitor 100% of the facilities that have end of pipe wastewater recycling at least monthly using meters. There are also many other recycle and reuse projects at our facilities. Examples include cooling tower cycles of concentration, paint pit water reuse, reverse osmosis reject water reuse, and cooling tower blowdown reuse. Monitoring of these types of recycling and reuse varies in frequency.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Continuously	At existing facilities, human rights assessments are performed, and these include checking on the provision of WASH services to all workers. Human rights assessments are completed on four facilities per year. For new facilities, the method of ensuring that fully-functioning, safely managed WASH services are provided to all workers is inclusion of this requirement in facility building specifications. Therefore, when new facilities are built, WASH services are provided to all workers.	Ford has acknowledged the human right to water and in 2014, became a signatory to the UN CEO Water Mandate. Our Code of Human Rights, Basic Working Conditions, and Corporate Responsibility requires Ford to provide a safe and healthy work environment for all employees at 100% of our sites. At existing facilities, human rights assessments are performed, and these include checking on the provision of WASH services to all workers. Human rights assessments are completed on four facilities per year. For new facilities, the method of ensuring that fully-functioning, safely managed WASH services are provided to all workers is inclusion of this requirement in facility building specifications. Therefore, when new facilities are built, WASH services are provided to all workers.

## W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	15100	About the same	Increase/decrease in business activity	About the same	Investment in water-smart technology/process	Water usage is proportionate to our production. Although Ford forecasts production to increase, we anticipate that water withdrawal will remain about the same due to offsets in reduction technology and efficiencies.
Total discharges	7434	About the same	Increase/decrease in business activity	About the same	Investment in water-smart technology/process	Water usage is proportionate to our production. Although Ford forecasts production to increase, we anticipate that water withdrawal will remain about the same due to offsets in reduction technology and efficiencies.
Total consumption	7666	About the same	Increase/decrease in business activity	About the same	Investment in water-smart technology/process	Water usage is proportionate to our production. Although Ford forecasts production to increase, we anticipate that water withdrawal will remain about the same due to offsets in reduction technology and efficiencies.

## W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	11-25	About the same	Increase/decrease in business activity	Lower	Investment in water-smart technology/process	WRI Aqueduct	Ford uses the WRI Aqueduct tool and its default values and thresholds to evaluate all of Ford's global facilities across North America, South America, Europe, Asia, and South Africa for baseline water stress and overall water risk. Using the various outputs of the WRI tool, sites with "High" or "Extremely High" outputs for baseline water stress were defined as an area with water stress, then internal company knowledge was used to confirm the area was truly a water stressed area. Based on this process, we determined that eleven (11) of Ford's manufacturing sites are in water stressed areas. The number of water stressed sites remains unchanged from when the tool was previously utilized in 2018 as well as a 2022 comparison to the Aqueduct Water Risk Atlas. Year-to-year changes of less than 5% were considered "about the same". The water stressed facilities include plants in India, Mexico, Turkey, South Africa and Spain.

## W1.2h

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	149	Higher	Increase/decrease in business activity	Vehicle production increased approximately 13% from 2021 to 2022, which is primarily responsible for the increase in water withdrawals despite water withdrawal reduction programs. Ford considers an increase of 5% to 15% to be "higher".
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Ford withdrew 15,100 megaliters from fresh surface water, groundwater or third party sources in 2022, and did not withdraw from brackish surface water or seawater, therefore this source is not relevant.
Groundwater – renewable	Relevant	1173	Much higher	Increase/decrease in business activity	Vehicle production increased approximately 13% from 2021 to 2022, which is primarily responsible for the increase in water withdrawals despite water withdrawal reduction program. Ford considers an increase greater than 15% to be "much higher".
Groundwater – non-renewable	Relevant	1731	Higher	Increase/decrease in business activity	Vehicle production increased approximately 13% from 2021 to 2022, which is primarily responsible for the increase in water withdrawals despite water withdrawal reduction program. Ford considers an increase of 5% to 15% to be "higher".
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Ford withdrew 15,100 megaliters from fresh surface water, groundwater or third party sources in 2022, and did not withdraw from produced/entrained water, therefore this source is not relevant.
Third party sources	Relevant	12047	Higher	Increase/decrease in business activity	Vehicle production increased approximately 13% from 2021 to 2022, which is primarily responsible for the increase in water withdrawals despite water withdrawal reduction program. Ford considers an increase of 5% to 15% to be "higher".

**W1.2i**

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	27	Lower	Facility closure	Closure of two facilities in India led to a decrease in fresh surface water discharges. Ford considers a change of 5% to 15% to be "lower".
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Ford discharged 7,434 megaliters to fresh surface water, groundwater or third-party destinations in 2022, and did not discharge to brackish surface water or seawater, therefore this destination is not relevant.
Groundwater	Relevant	199	Much higher	Increase/decrease in business activity	Ford sites where discharges occur to groundwater are primarily for irrigation purposes (reuse). Ford considers a change of 15% or more to be "much higher". Production activities at these sites increased significantly from 2021 to 2022, leading to an increase in groundwater discharges.
Third-party destinations	Relevant	7208	About the same	Increase/decrease in business activity	Vehicle production increased approximately 13% from 2021 to 2022. However, our water discharge to third-party destinations remained about the same due in part to our recycling and reduction efforts. Ford considers a change of 0% to 5% to be "about the same".

**W1.2j**

**(W1.2) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Ford Motor Company does not utilize tertiary treatment (as defined by CDP) for any of our discharges. Ford discharged 7,260 megaliters to fresh surface water, groundwater or third party destinations. In 2022, Ford did not conduct tertiary treatment as we would only consider using it in the event that our biological system was unable to meet discharge permit limits / parameters (e.g. phosphates, nitrogen, etc.). Therefore this level of treatment is not relevant.
Secondary treatment	Relevant	1802.4	Lower	Facility closure	21-30	Ford Motor Company defines secondary treatment as biologically treated wastewater. We provide this level of treatment to comply with local regulations, however in the absence of local regulations around wastewater discharge quality, Ford has internal minimum treatment standards to comply with (there are currently no Ford facilities that operate in an area without local regulations). We provide secondary treatment anytime a manufacturing facility discharges directly to the environment, if needed to meet discharge requirements to a municipality, or to facilitate onsite reuse of treated wastewater. Secondary treatment was lower than 2021 volumes, as two facilities were retooling or closed down, resulting in a decrease in water needs. In the near term, this volume is expected to increase due to both increased vehicle production, the lessening of the global microchip shortage and our goal to increase onsite reuse and recycling of treated wastewater. Ford considers a year-to-year change between 5% and 15% as "higher"/"lower".
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Ford Motor Company does not utilize primary treatment (as defined by CDP) for any of our discharges. All discharge waters at Ford that receive primary treatment subsequently receive secondary treatment. We provide secondary treatment anytime a manufacturing facility discharges directly to the environment, if needed to meet discharge requirements to a municipality, or to facilitate onsite reuse of treated wastewater. In the near term, this volume is expected to remain the same at 0 as all primary water subsequently receives secondary treatment.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Ford Motor Company does not discharge untreated water to the environment (as defined by CDP). Ford discharged 7,260 megaliters to fresh surface water, groundwater or third party destinations in 2022 and we do not discharge any untreated wastewater to the environment.
Discharge to a third party without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Ford Motor Company does not discharge process wastewater to a third party without treatment. Ford discharged 7,260 megaliters to fresh surface water, groundwater or third party destinations in 2022 and we do not discharge any wastewater to third party without treatment.
Other	Relevant	5458.38	Higher	Increase/decrease in business activity	71-80	Ford Motor Company defines other treatment as some form of pre-treatment (chemical-physical, oil separation, solids removal, etc.) of process wastewater prior to discharge to a municipality for further treatment. We provide pre-treatment (other) for all process wastewater. In the near term, this volume is expected to increase due to increased vehicle production and the lessen effect of the global microchip shortage, however our ultimate goal is to reduce this volume and reuse wastewater onsite. Ford considers a year-to-year change between 5% and 15% as "higher"/"lower".

**W1.3**

**(W1.3) Provide a figure for your organization's total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1581000	15118.24	10457.566489221	We anticipate that the water withdrawal efficiency value will decrease, as our efficiency improves with increased production which we anticipate will occur.

**W1.4**

**(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?**

	Products contain hazardous substances	Comment
Row 1	Yes	<Not Applicable>

**W1.4a**

**(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?**

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
List of substances (Canadian Environmental Protection Act)	More than 80%	As an automobile manufacturer, our vehicles utilize gasoline, diesel, windshield wiper fluid, and/or a battery which are considered hazardous substances.

## W1.5

### (W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

## W1.5a

### (W1.5a) Do you assess your suppliers according to their impact on water security?

#### Row 1

#### Assessment of supplier impact

Yes, we assess the impact of our suppliers

#### Considered in assessment

Basin status (e.g., water stress or access to WASH services)  
Supplier dependence on water  
Supplier impacts on water availability  
Supplier impacts on water quality

#### Number of suppliers identified as having a substantive impact

466

#### % of total suppliers identified as having a substantive impact

1-25

#### Please explain

Ford has 11,500 direct and indirect suppliers, and we engage with a select group of key suppliers through the CDP Supply Chain Water questionnaire. These suppliers were selected for engagement as they are considered "substantive" to Ford's business. For the supply chain, Ford defines a supplier's impact as "substantive" if they supply greater than 0.1% of production spend and/or have a significant business relationship with Ford. In 2022, Ford expanded the CDP request to reach 466 suppliers representing 2.2% of our overall spend. The information that suppliers provide through the CDP Supply Chain Water questionnaire enables Ford to further analyze the impacts of our supply chain and prioritize further engagement to drive water stewardship and reductions.

## W1.5b

### (W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

## W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

**Water-related requirement**

Engaging with their suppliers on water security actions

**% of suppliers with a substantive impact required to comply with this water-related requirement**

76-99

**% of suppliers with a substantive impact in compliance with this water-related requirement**

1-25

**Mechanisms for monitoring compliance with this water-related requirement**

Grievance mechanism/Whistleblowing hotline

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

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**Water-related requirement**

Providing fully-functioning, safely managed WASH services to all workers

**% of suppliers with a substantive impact required to comply with this water-related requirement**

76-99

**% of suppliers with a substantive impact in compliance with this water-related requirement**

1-25

**Mechanisms for monitoring compliance with this water-related requirement**

Grievance mechanism/Whistleblowing hotline

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

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**Water-related requirement**

Reducing total water withdrawal volumes

**% of suppliers with a substantive impact required to comply with this water-related requirement**

76-99

**% of suppliers with a substantive impact in compliance with this water-related requirement**

1-25

**Mechanisms for monitoring compliance with this water-related requirement**

Grievance mechanism/Whistleblowing hotline

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

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**Water-related requirement**

Reducing water demands in water stressed basins

**% of suppliers with a substantive impact required to comply with this water-related requirement**

76-99

**% of suppliers with a substantive impact in compliance with this water-related requirement**

1-25

**Mechanisms for monitoring compliance with this water-related requirement**

Grievance mechanism/Whistleblowing hotline

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

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**Water-related requirement**

Reporting against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security questionnaire, etc.)

**% of suppliers with a substantive impact required to comply with this water-related requirement**

76-99

**% of suppliers with a substantive impact in compliance with this water-related requirement**

51-75

**Mechanisms for monitoring compliance with this water-related requirement**

Grievance mechanism/Whistleblowing hotline

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

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## W1.5d

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### (W1.5d) Provide details of any other water-related supplier engagement activity.

#### Type of engagement

Information collection

#### Details of engagement

Collect water management information at least annually from suppliers

Collect information on water-related risks at least annually from suppliers

Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

#### % of suppliers by number

1-25

#### % of suppliers with a substantive impact

76-99

#### Rationale for your engagement

As a global organization with 11,500 Tier 1 direct and indirect suppliers, Ford utilizes the CDP Supply Chain questionnaire as a mechanism to collect water security data from suppliers that are identified as having a substantive impact on our business and we use this disclosure platform as an opportunity to educate and provide guidance to suppliers to support their internal water stewardship strategy and disclosure. Ford provides a Frequently Asked Questions document which provides resources to support water evaluations and industry-wide water tools, as well as a CDP Improvement Guide which walks suppliers through the questionnaire and provides guidance on key actions to support strategic growth. In 2022, Ford engaged with 466 suppliers that were identified as substantive to Ford's business, and 258 responded, representing a 55% submittal rate.

The data that Ford obtains through the CDP Supply Chain questionnaire undergoes careful analysis and is a key component of our strategic engagement with suppliers and helps to inform our supply chain sustainability strategy.

#### Impact of the engagement and measures of success

For CDP, Ford tracks the overall supplier participation rate, as Ford looks to engage with as many substantive suppliers as possible. We view CDP as an opportunity to engage and ensure our suppliers are actively managing their water impacts. As Ford increased the overall supplier request for CDP Water Security in 2022, we saw a slight regression in the overall participation rate compared to years past; however, we were able to engage and obtain more information from suppliers than ever before through this program. Overall, Ford received 258 supplier submissions, which was a 31% increase in submittals based on the number of supplier submissions. Our goal is to achieve an 80% submittal rate among our suppliers, or engage them through other data collection mechanisms, like M2030.

In 2022, several CDP suppliers identified that Ford's engagement had driven them to collaborate on water projects. In particular, a few suppliers mentioned Ford's climate and water targets and their desire to align their corporate strategy to feed into customer targets and ambitions, as well as some information regarding a new product that could reduce water impacts.

#### Comment

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#### Type of engagement

Innovation & collaboration

#### Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

Educate suppliers about water stewardship and collaboration

#### % of suppliers by number

26-50

#### % of suppliers with a substantive impact

51-75

#### Rationale for your engagement

In 2022, Ford transitioned from our internal supply chain sustainability program, the Partnership for A Cleaner Environment (PACE) to working with our suppliers at scale on best practices for water through our environmental program with Manufacture 2030 (M2030). We engaged with 10 suppliers in 2022 on our PACE program and water savings were identified. In November 2022, we invited 3000 Tier 1 Direct suppliers in over 66 countries to join the strongly recommended Ford campaign with M2030 to engage our suppliers with measuring, managing, and reducing emissions, waste and water. The M2030 platform also provides supplier education webinars on Exploring water risk, Wastewater Treatment Technology, Effluent Treatment and Water Reuse. 2022 was a transitional year to M2030 and we expect the engagement to increase as the campaign beds in.

#### Impact of the engagement and measures of success

Ford was able to bring 45 best practices and training to a wider audience than we could ever achieve previously with internal best practice program PACE. As part of the M2030 program we will be tracking water savings as a result of implemented and forecasted water savings. As M2030 was launched in the end of 2022, we are still waiting to have a full year of data in order to track water savings. However, Ford will be monitoring these numbers closely and working to encourage suppliers to implement reduction measures and drive further progress with their water strategies. Additionally, it will provide data to identify hot spots for future action.

#### Comment

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## W1.5e

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**(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.**

**Type of stakeholder**

Other, please specify (Employees/communities)

**Type of engagement**

Education / information sharing

**Details of engagement**

Educate and work with stakeholders on understanding and measuring exposure to water-related risks

**Rationale for your engagement**

Ford prioritizes engagement with its employees and the communities where its operations are located. By engaging with employees, we are able to deeply embed Ford's water conservation strategy with each employee's daily tasks. By engaging with local communities where we have operations, we are able to demonstrate our commitment to the human right to water and the provision of WASH services to all. Ford engages with its employees and local communities through the Ford Fund, the philanthropic arm of Ford, and programs like the Ford Volunteer Corps and the Bill Ford Better World Challenge, just to name a few. The Bill Ford Better World Challenge is a global grant program that supports employee-led efforts to address issues surrounding mobility, food and shelter, and access to water, sanitation and hygiene in their local communities. One recent project, the Watergen program in drought-stricken South Africa used special equipment hitched to a Ford Ranger to capture moisture from the air. It was able to provide clean and safe drinking water for 2,700 community members in the Eastern Cape.

**Impact of the engagement and measures of success**

In 2022, 5,400 Ford employees spent over 50,000 hours volunteering in community service projects throughout the year. Ford measures our success based increases in the number of employees involved and the number of projects.

**W2. Business impacts**

**W2.1**

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	All Ford facilities report out on any water related regulatory violations at least monthly during Business Process Reviews. These reviews are consolidated to a regional and global level on a monthly basis as well.

**W3. Procedures**

**W3.1**

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	<p>Ford has various methods to identify and classify pollutants that may have a detrimental impact on the local ecosystem or human health, depending on whether the water is discharged directly, or indirectly, to the environment. These pollutants are commonly found in Ford's wastewaters prior to treatment, and typically included in permits. In either case, Ford always utilizes Federal/local regulations as a primary method, and if there is an absence of regulations Ford has an internal guideline that describes minimum treatment levels (eg. pH discharge to surface must be between 6-9, Chemical Oxygen Demand discharged to irrigation must be below a concentration of 150 mg/L ) for wastewater of major pollutants prior to discharge.</p> <p>Ford has an aspirational goal as part of its Global Manufacturing Water Strategy to improve water discharge quality with an initial emphasis around direct discharges through monitoring and source reduction, especially around nutrient loading. Ford believes excess nutrients can reduce physical habitat quality, increase nuisance plant/algae growth, and increase algal toxin production. Sites that discharge directly to the environment utilize an internal list of nutrients (eg. nitrogen compounds, phosphorous) that they compare their incoming material chemistry against to target reductions of these materials. Pollutants of concern (eg. nutrients) are analyzed at least annually. Success is having lower concentrations and/or lower incoming material volumes.</p>	<Not Applicable>

**W3.1a**

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

**Water pollutant category**

Phosphates

**Description of water pollutant and potential impacts**

Phosphates are a nutrient that Ford is targeting as part of the aspirational goal that aims to improve water discharge quality. Ford believes excess nutrients, including phosphates, can reduce physical habitat quality, increase nuisance plant/algae growth, and increase algal toxin production.

**Value chain stage**

Direct operations

**Actions and procedures to minimize adverse impacts**

Beyond compliance with regulatory requirements

**Please explain**

Ford has an aspirational goal as part of its Global Manufacturing Water Strategy to improve water discharge quality with an initial emphasis on direct discharges through monitoring and source reduction, especially around nutrient loading. Ford sites that discharge directly to the environment utilize an internal list of nutrients, including phosphates, that they compare their incoming material chemistry against to target reduction/elimination of these materials. These nutrients, including phosphates, are periodically measured (at least annually) in the site's direct discharges through sampling. Success of the source reduction efforts are measured by seeing a reduction (greater than 0% reduced) of nutrients, including phosphates, in incoming materials as well as lower concentrations (greater than 0% reduced) of nutrients, including phosphates, in the Ford site's direct discharges.

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**W3.3**

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**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

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(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of other company-wide risk assessment system

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

**Tools and methods used**

Ecolab Water Risk Monetizer

WRI Aqueduct

WWF Water Risk Filter

**Contextual issues considered**

Impact on human health

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers

Employees

Investors

Local communities

**Comment**

Ford has reviewed all operations facilities via publicly available tools (Water Risk Filter, Aqueduct) to determine which facilities are located in water-scarce regions. Ford also evaluated which operations are projected to be in water-scarce regions in the future. In response to this analysis, Ford developed a global water strategy that is able to prioritize addressing water use, supplier water use and community water issues in these water-stressed regions as directed by Ford's global water strategy. In addition to the tools and methods used above, Ford also uses scenario analysis and internal company knowledge.

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**Value chain stage**

Supply chain

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of other company-wide risk assessment system

**Frequency of assessment**

Every two years

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

Enterprise risk management

International methodologies and standards

Databases

**Tools and methods used**

WRI Aqueduct

Maplecroft Global Water Security Risk Index

**Contextual issues considered**

Impact on human health

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers

Employees

Investors

Local communities

Suppliers

**Comment**

As part of the "tools and methods used", Ford also utilizes Environmental Audits and Self-Assessment; Daily Events Flash Report

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W3.3b

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	In order to perform an extensive analysis of our direct operations and value chain risk, Ford utilizes a combination of tools, water regulatory frameworks, and the status of ecosystems and habitats in order to fully evaluate risk, identify water stressed areas, and understand regional ecosystem limits and demands. Specifically, Ford utilizes WRI Aqueduct, Maplecroft Global Water Security Risk Index, Environmental Audits and Self-Assessments, and Daily Events Flash Report to remain aware of risks. This analysis occurs every year to ensure Ford’s operations and value chain are actively managing water stewardship and to ensure business continuity.	<p>Water regulatory frameworks are included at Ford because they provide local, state and national legislative requirements for water in regions where we have manufacturing operations.</p> <p>Status of ecosystems and habitats are included because Ford’s manufacturing operations co-exist within the surrounding communities and nature. Ford has chosen to prioritize water reduction efforts at facilities that are located in water scarce areas through actions like alternative water sources, internal wastewater recycling, mimicking nature’s water balance, and improving water discharge quality. There are many competing water users in the local ecosystem and the availability of water is considered as we make decisions on water withdrawals, discharges and recycling/reuse.</p> <p>Access to fully-functioning, safely managed WASH services for all employees are included because Ford engages with local communities where we have operations and demonstrate our commitment to the human right to water and the provision of WASH services to all.</p> <p>The contextual issues in the assessment were also included for our Supply Chain because this enables our supply base to have a continuity of supply (Water regulatory frameworks/ Status of ecosystems and habitats) and our supply chain employees to have access to safe sanitary conditions (Access to fully-functioning, safely managed WASH services for all employees).</p>	<p>Customers are considered because their purchase decisions significantly impact Ford Motor Company’s financial health and they advocate that our vehicles are manufactured sustainably.</p> <p>Employees are considered because Ford has acknowledged the human right to water and became a signatory to the UN CEO Water Mandate in 2014. Our Code of Human Rights, Basic Working Conditions and Corporate Responsibility requires Ford to provide a safe and healthy work environment for all employees.</p> <p>Investors are included because they are crucial to Ford’s economic health since Ford is a publicly traded company. Ford remains engaged with investors through various forums and events to communicate our commitment to environmental sustainability (water, climate, waste) and to better understand their concerns.</p> <p>Local communities are included because Our Code of Human Rights, Basic Working Conditions, and Corporate Responsibility requires Ford to work constructively with local communities, including implementation of sustainable water strategies.</p> <p>Lastly, suppliers are considered a very key component to our business, which is why Ford engages strategically with suppliers based on the level of risk determined by a combination of factors including 1) water use intensity based on commodities , 2) suppliers geographical footprint of their operations and 3) business relationship with Ford.</p>	The various types of decision making at Ford that rely on this water risk assessment information include where to build new or expand existing facilities and where to invest and utilize water saving technologies. For example, when Ford was evaluating locations for a new facility, Tennessee was selected for the Blue Oval campus. The specific location has the Memphis Sands aquifer beneath it, and Ford is very cognizant of the potential impact the campus could have on water and the community. As a result of this identified risk and the impact to stakeholders, we have committed to wetlands protection and preserving the historic use of the site.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

We define substantive financial and strategic impact as a situation or circumstance which compromises our ability to manufacture and sell vehicles, which can include disruptions to Ford's manufacturing operations or our suppliers' manufacturing operations. Our analysis of Ford operations shows that some of our facilities are located in regions where water supplies are already scarce. Global climate change also has the potential to further impact the quality and availability of water. We cannot be certain that we will always have access to water of the quantity and quality that our operations require. Our water strategy puts primary emphasis on our plants located in areas of water scarcity.

Ford is committed to conserving water and using it responsibly. We will address water challenges internally within our own operations and externally in communities where we operate and throughout our supply chain. We have committed to measurable actions to support our global water strategy.

In deciding which facilities and which basins concern Ford, a Trucost physical risk analysis using WRI Aqueduct as well as an analysis using WWF Water Risk Filter were used alongside internal knowledge of specific facilities and local watersheds. If a facility had a high risk or projected risk, it was listed. Ford Motor Company defines substantive financial impact on our business if the resulting deviation from planned earnings exceeds \$250 million when identifying or assessing climate and water related risks. Such a reduction in revenue could be caused by a stop in production/sale of vehicles from labor issues, severe weather events, etc. or could result from a regulation that would prohibit the sale of our products. The operating facilities listed as "substantive" had to have a high stress or risk and have production or support production that would exceed the \$250 million threshold.

For supply chain, we utilized the following methodology to determine water risks that could generate a potential impact to our supply chain. Suppliers are selected to participate in the CDP Supply Chain water questionnaire based on a combination of factors including those that supply water-intensive commodities, those with operations in water-stressed areas and their business relationship with Ford. We conduct this risk assessment of selected suppliers annually, considering developments in these three areas. For this outreach, a supplier is considered "substantive" if they supply greater than 0.1% of production spend and/or have a significant business relationship with Ford. In recent years, Ford has expanded beyond this criteria to include additional suppliers with whom Ford has significant spend with as we work to drive progress and water reductions at scale. The ongoing data obtained through the CDP surveys has helped us identify "hotspots" for water use.

For example, when we built the Sanand Assembly and Engine Plants in India, we recognized that this facility would be in a water-stressed area and that there was no municipal water supply available for employees. Lack of safe water for employees to drink would have prevented the plant from operating and was thus a substantive potential impact. Ford constructed a water bottling plant that treated and bottled water from the Narmada Canal so that employees would have safe water to drink. This project received one of Ford's 2015 President's Health and Safety Awards for "Excellence in Health".

**W4.1b**

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	11	1-25	

**W4.1c**

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

India	Other, please specify (Palar)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

India	Other, please specify (Sabarmati River)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

&lt;Not Applicable&gt;

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

Mexico	Bravo
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

&lt;Not Applicable&gt;

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

Mexico	Panuco
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

&lt;Not Applicable&gt;

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

Mexico	Yaqui
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

Turkey	Sakarya
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

Turkey	Other, please specify (Kocaeli (Marmara))
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

South Africa	Limpopo
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

South Africa	Other, please specify (South Africa Coast (Swartkops River))
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

&lt;Not Applicable&gt;

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

Spain	Other, please specify (Jucar)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

&lt;Not Applicable&gt;

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**Country/Area & River basin**

Mexico	Santiago
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

&lt;Not Applicable&gt;

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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**W4.2**

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(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

**Country/Area & River basin**

Mexico	Panuco
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**Type of risk & Primary risk driver**

Chronic physical	Water stress
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**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Ford's manufacturing facility in Cuautitlán, Mexico, is already subject to water-withdrawal limitations. Since water is critical to the production of vehicles, a shortage of water creates the risk of not being able to produce vehicles. The Cuautitlán plant produced over 77,000 vehicles in 2022, or 3.3% of North American production. If Cuautitlán production was entirely stopped due to the unavailability of water, 3.3% of 2022 North American income before taxes could be lost. This could potentially amount to over \$3.5 billion over the course of a year.

**Timeframe**

4-6 years

**Magnitude of potential impact**

High

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

3500000000

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

Ford's manufacturing facility in Cuautitlán, Mexico, is already subject to water-withdrawal limitations. Since water is critical to the production of vehicles, a shortage of water creates the risk of not being able to produce vehicles. The Cuautitlán plant produced over 77,000 vehicles in 2022, or 3.3% of North American production. If Cuautitlán production was entirely stopped due to the unavailability of water, 3.3% of 2022 North American income before taxes could be lost. This could potentially amount to over 3.5 billion over the course of a year.

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

Ford has undertaken several projects at its Cuautitlan Stamping and Assembly Plant (CSAP) in Mexico since 2009, in response to increasing water stress in the area. A reverse osmosis (RO) and ultrafiltration (UF) system has been installed. CSAP has completed a project to use RO water in the cooling towers within the plant.

Gray water is purchased from other water users in the area, for use in the facility. The plant has also installed a separate piping system for drinking water, so that it is only used for human consumption and not for manufacturing processes within the plant. This drinking water separation project will be expanded in 2023/2024. CSAP has also replaced the asphalt and parking lots within the plant with ecological concrete, which allows rain to re-enter the ground. This recharges the aquifer beneath the plant and helps prevent water scarcity in the city. The plant renovated an area of more than 9,700 square meters with ecological concrete, allowing the absorption of as much as 7.5 million liters of water per year. Some of the additional water reduction projects include routing more recycled wastewater to additional processes (e.g. various stages at paint pretreatment (2017, 2018, 2019), cooling towers in body and stamping (2017), and Fire Protection System (2022), Smart irrigation 4.0 (2020, 2021), and stormwater recovery (2021).

**Cost of response**

2437000

**Explanation of cost of response**

The reverse osmosis and ultrafiltration system accounted for the vast majority of the cost (1.2 million dollars) as this technology is quite expensive. This is a one-time cost. The cost of the ecological concrete was 525,000 dollars. This is also a one-time cost. Several other water reduction projects, including smart irrigation, routing recycled water to additional processes, and stormwater recovery were 712,000 dollars. These were one-time cost projects.

W4.2a

**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

Mexico	Bravo
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**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

Regulatory	Statutory water withdrawal limits/changes to water allocation
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**Primary potential impact**

Supply chain disruption

**Company-specific description**

In February of 2022, the state of Nuevo Leon in Mexico entered a state of emergency for "extreme drought". The city of Monterrey enacted water limits, restricting water use from 4am to 10am daily, while the previous policy restricted water for one day per week based on location. The demand for water in this region of Mexico currently outpaces supply by about 2.5 cubic meters per second, as indicated by the City Water Director.

Suppliers have identified this particular water challenge due to droughts and water scarcity, as this impacts their overall ability to maintain their production schedules, which could impact Ford's products. The suppliers in this region represent roughly 8.5% of Ford's supply base in Mexico. A parts shortage due to one of these suppliers not having water to run production could have a substantive impact on Ford by preventing the ability to produce vehicles that may be dependent on suppliers. As the WRI Aqueduct Tool indicates that this region has extremely high water stress (>80%), we anticipate this challenge will continue into the future, and we'll continue to monitor.

**Timeframe**

4-6 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

50000000

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

There is significant variance regarding the potential impact figure depending on the specific part Ford may not be able to obtain, as a result of suppliers' shut downs or production modifications. If we are unable to obtain key components, it could shut down production or cause Ford to build and store vehicles until the part/component is available. For illustrative purposes, we estimate a reduction in our production of certain vehicles in North America could approximate a potential \$50,000,000 reduction in earnings, over a 12 month timeframe.

**Primary response to risk**

Upstream	Map supplier water risk
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**Description of response**

As a result of various global regulations and environmental events, Ford continues to develop a risk management strategy which includes information from internal databases, including supplier site location, combined with externally available data regarding water scarcity and pollution control, among others. In particular, Ford has a Daily Flash Report that alerts Ford of a variety of risks depending on the region and area, and Ford personnel perform an analysis of the exposure and impacts on Tier 1 and 2 suppliers, commodity exposure, and how it will impact Ford. This allows Ford to actively manage these risks as they arise to avoid production stoppages. Additionally, we are consistently engaging with suppliers to work on water reduction efficiencies and launched M2030 in November 2022 to provide suppliers with best practices in water reduction, among other environmental reduction projects, to support efficiencies and environmental reductions and education. We anticipate that these best practices may support suppliers that operate in water-stressed areas as they work to increase efficiencies. Over the next few years (2023-2024) Ford is looking to revise the information we obtain in order to better assess our suppliers impact on water, and we are investigating the potential to assess suppliers based on their water due diligence for business continuity.

**Cost of response**

0

**Explanation of cost of response**

The cost of the response is estimated based on risk management strategy development, which is included in current staff responsibilities.

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

### Type of opportunity

Efficiency

### Primary water-related opportunity

Improved water efficiency in operations

### Company-specific description & strategy to realize opportunity

Ford's global water strategy calls for company-wide actions which include implementation of water efficiency projects, which result in decreased water use and enable the company to achieve its water reduction targets, while also ensuring sufficient water availability for the surrounding community. Cooling towers, and the pre-treatment and painting process are some of largest uses of water in Ford vehicle assembly plants.

Cooling towers consume large quantities of water and have operational challenges like scaling, corrosion, fouling and biological growth — all of which impact water use. Pre-treatment baths are where metal is treated before it is painted — a process that also consumes a lot of water. Ford wanted to continuously monitor water overflow when the baths were refilled. Nalco Water installed 3D TRASAR™ Water Saver Technology in 2017, a digital "connected chemistries" solution, to optimize cooling tower performance. The system is continuously monitored by the Ecolab System Assurance Center, which provides real-time resolution of problems. Real-time visibility to water flow data plus instant alerts regarding flow-related issues helps ensure water savings and process efficiency. Previously, problem identification and resolution could take days or even months. Results achieved by this real time monitoring installed in 2017 helped the Ford Oakville Assembly Plant in Canada save 18.8 megaliters of water since being installed.

Nalco Water is working with Ford to implement technology that will potentially lead to a significant reduction in water use by recycling water from the wastewater treatment plant. This technology is currently implemented at the Ford Flat Rock Assembly Plant and Louisville Assembly Plant. Installation began in 2019 at the Ford Kansas City Assembly Plant in Missouri and the plant continues to refine/modify the technology to achieve the targeted savings, which are expected by the end of 2024. Since installation through December of 2022, Kansas City Assembly Plant, Louisville Assembly Plant, and Flat Rock Assembly Plant have saved 347.20 megaliters of water. Ford is currently evaluating additional assembly plants to install similar recycling systems in 2024.

### Estimated timeframe for realization

1 to 3 years

### Magnitude of potential financial impact

High

### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

### Potential financial impact figure (currency)

307144

### Potential financial impact figure – minimum (currency)

<Not Applicable>

### Potential financial impact figure – maximum (currency)

<Not Applicable>

### Explanation of financial impact

There is potential to save \$307,144 annually through recycling water from the wastewater treatment plant at the Ford Kansas City Assembly Plant. This is calculated by multiplying the average cost of water by the amount of water saved minus the cost associated with the system.

## W5. Facility-level water accounting

### W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

#### Facility reference number

Facility 1

#### Facility name (optional)

Chennai Assembly

#### Country/Area & River basin

India	Other, please specify (Palar)
-------	-------------------------------

#### Latitude

12.78124

#### Longitude

80.01538

#### Located in area with water stress

Yes

#### Primary power generation source for your electricity generation at this facility

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

59

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

23

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

36

**Total water discharges at this facility (megaliters/year)**

58

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

58

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

1

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". Overall, the figures are lower than 2021 as the Chennai Engine plant closed. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

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**Facility reference number**

Facility 2

**Facility name (optional)**

Chihuahua Engine Plants

**Country/Area & River basin**

Mexico	Bravo
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**Latitude**

28.7116

**Longitude**

-106.126

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

353

**Comparison of total withdrawals with previous reporting year**

Much higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

353

**Total water discharges at this facility (megaliters/year)**

105

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

105

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

248

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". 2022 withdrawals overall are higher because of vehicle manufacturing increases. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges. Drastic change partially due to bad meter reading; compared to corrected number

**Facility reference number**

Facility 3

**Facility name (optional)**

Cuautitlan Stamping and Assembly

**Country/Area & River basin**

Mexico	Panuco
--------	--------

**Latitude**

19.64512

**Longitude**

-99.1899

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

261

**Comparison of total withdrawals with previous reporting year**

Much higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

261

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

40

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

23

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

17

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

221

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". 2022 withdrawals overall are higher because of vehicle manufacturing increases in production, as well as a new paint tank system which utilized more water. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

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**Facility reference number**

Facility 4

**Facility name (optional)**

Hermosillo Stamping and Assembly

**Country/Area & River basin**

Mexico	Yaqui
--------	-------

**Latitude**

29.0133

**Longitude**

-110.917

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

556

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

262

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

294

**Total water discharges at this facility (megaliters/year)**

198

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

198

**Total water consumption at this facility (megaliters/year)**

358

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Year-to-year changes of less than 5% were considered "about the same". Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". Production increased by 42%, yet water withdrawal remained about the same due efficiencies from a new paint plant. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

**Facility reference number**

Facility 5

**Facility name (optional)**

Eskisehir Engine

**Country/Area & River basin**

Turkey	Sakarya
--------	---------

**Latitude**

39.84228

**Longitude**

30.11987

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

52

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

52

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

51

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

51

**Total water consumption at this facility (megaliters/year)**

1



**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Year-to-year changes of less than 5% were considered "about the same". Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

**Facility reference number**

Facility 6

**Facility name (optional)**

Kocaeli Site

**Country/Area & River basin**

Turkey	Other, please specify (Kocaeli (Marmara))
--------	---

**Latitude**

40.7187

**Longitude**

29.85041

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

875

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

875

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

207

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

207

**Total water consumption at this facility (megaliters/year)**

668

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". 2022 withdrawals overall are higher because of vehicle manufacturing increases. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

**Facility reference number**

Facility 7

**Facility name (optional)**

Port Elizabeth Engine

**Country/Area & River basin**

South Africa	Other, please specify (South African Coast (Swartkops River))
--------------	---

**Latitude**

-33.8953

**Longitude**

25.5789

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

13

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

13

**Total water discharges at this facility (megaliters/year)**

1

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

1

**Total water consumption at this facility (megaliters/year)**

12

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Year-to-year changes of less than 5% were considered "about the same". Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". Port Elizabeth had a 16% reduction in production from 2021 to 2022, which accounts for a reduction in water withdrawal. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

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**Facility reference number**

Facility 8

**Facility name (optional)**

Pretoria Assembly

**Country/Area & River basin**

South Africa	Limpopo
--------------	---------

**Latitude**

-25.7369

**Longitude**

28.32711

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

336

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

336

**Total water discharges at this facility (megaliters/year)**

196

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

196

**Total water consumption at this facility (megaliters/year)**

140

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Year to year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". Overall, water withdrawal and discharge were lower, despite production remaining about the same. These decreases were predominately due to decommissioning of a significant water using process. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

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**Facility reference number**

Facility 9

**Facility name (optional)**

Sanand Engine

**Country/Area & River basin**

India	Other, please specify (Sabarmati River)
-------	---

**Latitude**

23.0013

**Longitude**

72.26167

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

82

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

82

**Total water discharges at this facility (megaliters/year)**

8

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

8

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

74

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". Sanand Assembly shut down in November 2021, leaving only Sanand Engine to continue to manufacture. Therefore, the significant drop in production is proportionate to water usage. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

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**Facility reference number**

Facility 10

**Facility name (optional)**

Valencia Assembly and Engine

**Country/Area & River basin**

Spain	Other, please specify (Jucar)
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**Latitude**

39.31976

**Longitude**

-0.41688

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

757

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

757

**Total water discharges at this facility (megaliters/year)**

355

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

355

**Total water consumption at this facility (megaliters/year)**

402

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". The reason for the increase is due to an increase in production. Despite a 31% increase in production, withdrawal only increased by 13%. This improved efficiency was primarily due to efforts around leak repairs, weekly monitoring of usage, and water reuse. Our discharges were up 24% as a result of the same efficiencies despite production increases. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

**Facility reference number**

Facility 11

**Facility name (optional)**

Irapuato Transmission

**Country/Area & River basin**

Mexico	Santiago
--------	----------

**Latitude**

20.78511

**Longitude**

-101.343

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

21

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

21

**Total water discharges at this facility (megaliters/year)**

12

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

4

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

8

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

9

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Year-to-year changes between 5% and 15% were considered "higher"/"lower". Year-to-year changes over 15% were considered "much higher"/"much lower". Overall figures are much lower as a result of retooling of the plant, which stopped production for a period of time. All figures are calculated based on metered data, except for consumption where Ford calculated total consumption as total withdrawals minus total discharges.

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**W5.1a**

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**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**

**Water withdrawals – total volumes**

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

Ford has a robust internal process that accounts for our global water usage, utilizing water invoices and meters. We have developed an internal database and analytical tools to track, monitor and verify our water. Requiring external third-party verification is duplicative and excessive to our properly functioning internal QA/QC process.

**Water withdrawals – volume by source**

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

Ford has a robust internal process that accounts for our global water usage, utilizing water invoices and meters. We have developed an internal database and analytical tools to track, monitor and verify our water. Requiring external third-party verification is duplicative and excessive to our properly functioning internal QA/QC process.

**Water withdrawals – quality by standard water quality parameters**

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

Ford has a robust internal process that accounts for our global water usage, utilizing water invoices and meters. We have developed an internal database and analytical tools to track, monitor and verify our water. Requiring external third-party verification is duplicative and excessive to our properly functioning internal QA/QC process.

**Water discharges – total volumes**

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

Ford has a robust internal process that accounts for our global water usage, utilizing water invoices and meters. We have developed an internal database and analytical tools to track, monitor and verify our water. Requiring external third-party verification is duplicative and excessive to our properly functioning internal QA/QC process.

#### Water discharges – volume by destination

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

Ford has a robust internal process that accounts for our global water usage, utilizing water invoices and meters. We have developed an internal database and analytical tools to track, monitor and verify our water. Requiring external third-party verification is duplicative and excessive to our properly functioning internal QA/QC process.

#### Water discharges – volume by final treatment level

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

Ford has a robust internal process that accounts for our global water usage, utilizing water invoices and meters. We have developed an internal database and analytical tools to track, monitor and verify our water. Requiring external third-party verification is duplicative and excessive to our properly functioning internal QA/QC process.

#### Water discharges – quality by standard water quality parameters

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

Ford has a robust internal process that accounts for our global water usage, utilizing water invoices and meters. We have developed an internal database and analytical tools to track, monitor and verify our water. Requiring external third-party verification is duplicative and excessive to our properly functioning internal QA/QC process.

#### Water consumption – total volume

**% verified**

Not verified

**Verification standard used**

<Not Applicable>

**Please explain**

Ford has a robust internal process that accounts for our global water usage, utilizing water invoices and meters. We have developed an internal database and analytical tools to track, monitor and verify our water. Requiring external third-party verification is duplicative and excessive to our properly functioning internal QA/QC process.

## W6. Governance

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### W6.1

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**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

### W6.1a

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**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to prevent, minimize, and control pollution Commitment to reduce or phase-out hazardous substances Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to reduce water withdrawal and/or consumption volumes in supply chain Commitment to stakeholder education and capacity building on water security Commitment to water stewardship and/or collective action Commitment to the conservation of freshwater ecosystems Commitments beyond regulatory compliance Reference to company water-related targets Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Ford has a global corporate water policy and strategy, which includes its direct operations, supply chain, customers, and employees, to identify some of the affected stakeholders.  Our policy is applied company-wide as Ford sets and tracks annual water targets and goals for its own operations and treats regulatory compliance as a minimum requirement. Ford is a signatory to the UN CEO Water Mandate and has incorporated the elements of the Mandate into its water policy, with particular attention to transparency. Ford has publicly acknowledged the human right to water, and through the Bill Ford Better World Challenge and the Ford Volunteer Corps, is providing WASH services in projects around the world. Ford is also a signatory to the "Improve Water Security" initiative of the Business Alliance for Water and Climate. Our customers and employees are engaged through social media and internal communications channels, through which Ford shares water-saving ideas.

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**



**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	<p>The Ford Motor Company Sustainability and Innovation Board of Directors Committee is comprised of 10 Directors (including Bill Ford, our Executive Chair) and reports to the full Board on all environmental sustainability issues, including water. The Sustainability, Innovation and Policy Committee assists the Board of Directors in overseeing environmental and social sustainability risks. The directors that make up the Committee are responsible for assessing the Company's progress on strategic economic, product safety, environmental (Water, Climate Change, Carbon-Free, Waste, Sustainable Materials) and social issues, as well as the degree to which sustainability principles have been integrated into various corporate skill teams.</p> <p>When evaluating new manufacturing site selections (i.e. BlueOval City in Tennessee) the Ford Motor Company Board of Directors reviewed criteria (e.g. geothermal, water availability/scarcity, risk of flooding, and how our water usage and withdrawal impacts the community) in approving the project at a 2021 meeting. The results of the evaluation factored into the chosen site as well as what measures would be needed in order to mitigate any water related risks identified. One area where Ford is taking extra precautions is around protecting the aquifer located under the site.</p>

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Providing employee incentives Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities	(1) Providing employee incentives: The compensation Committee of the Board of Directors approved the specific performance goals and business criteria to be used for purposes of determining the cash awards for 2022 participants, including executive officers, under the Company's shareholder-approved Annual Incentive Compensation Plan. The Corporate performance criteria and weightings used for 2022 under the plan supported the Company's business plan and strategy, which incorporates our commitment to reduce water use. (2) Reviewing and guiding business plans. Business plans can have significant ramifications for climate and water (for example, building a new plant), and water-related issues are integrated into this governance mechanism. (3) Reviewing and guiding major plans of action. Major plans of action often have climate and water impacts, and are reviewed by appropriate committees of the Board, including the Sustainability & Innovation Committee. (4) Reviewing and guiding risk management policies. Climate change risks, which also include water risks, are part of the Company's overall risk management, not only within its own operation but also within its value chain. (5) Reviewing and guiding strategy. Climate and water impacts are considered in the development of the Company's strategies, which are reviewed by the Board. (6) Reviewing and guiding corporate responsibility strategy. Ford has a corporate water strategy, which is regularly updated and then reviewed by the Sustainability & Innovation Committee. Reviewing the annual Sustainability Report. Water use and related water issues are featured prominently in the Company's annual Integrated Sustainability and Financial Report, and the Sustainability and Innovation Committee reviews this report each year prior to publication. (7) Reviewing innovation/R&D priorities. The Sustainability & Innovation Committee considers product and process innovations, many of which include water saving technologies.

**W6.2d**

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>Ford Motor Company's sustainability strategy is to make a positive contribution to society and the environment. We are committed to a strategy that addresses our people, our planet and our customers.</p> <p>We have developed specific environmental and social strategies (Water, Climate Change, Carbon-Free, Waste, Sustainable Materials, People and Human Rights) to achieve our Sustainability Aspirations. All these strategies, including water-related topics, are detailed within our annual Integrated Sustainability and Financial Report (sustainability.ford.com).</p> <p>The Ford Board of Directors Nominating and Governance Committee reviews and makes recommendations on (i) the nominations or election of directors and (ii) the size, diversity, composition and compensation of the Board. The Committee also establishes criteria for selecting new directors and the evaluation of the Board, including whether current members and candidates possess skills and qualifications that support the Company's strategy.</p> <p>Company director qualifications and expertise are assessed by the Committee across ten (10) key areas including Sustainability. Specifically, relevant experience with environmental/climate change, talent and culture and social responsibility initiatives enables Ford to address key shareholder concerns regarding sustainability and corporate responsibility. The criteria used to assess director water-related competence is included in the Committee's environmental qualifications review. Each of fourteen (14) Ford directors are shown to have Sustainability, i.e. environmental qualifications and expertise, as listed on page 29 of the 2022 Shareholders Proxy Statement.</p>	<Not Applicable>	<Not Applicable>

**W6.3**

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Water-related responsibilities of this position**

Assessing future trends in water demand  
 Assessing water-related risks and opportunities  
 Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

The highest-ranking Company Officer directly responsible for water related issues is the Chief Sustainability Officer (CSO) who is also the Vice President, Sustainability, Environment and Safety Engineering (SE&SE VP). The CSO reports to the Chief Policy Officer and General Counsel who reports to the CEO. The CSO chairs the Board Sustainability and Innovation Committee and coordinates topics for regular review, including progress on our 2021 water goal, major changes and if there were to be any major issues, they would be covered here as well. The CSO is accountable for the corporate sustainability strategy and compliance with both legal and company requirements including water reduction, compliance with water related regulations and managing our water risk. The CSO heads a sustainability organization of several hundred global employees that is charged with safety and environmental performance of Ford's products plus environmental performance of Ford's manufacturing facilities.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	The Compensation Committee of the Ford Board approved the specific performance goals & business criteria to be used for purposes of determining the cash awards for 2022 participants, including executive officers, under Ford's shareholder-approved Annual Incentive Compensation Plan. The Corporate performance criteria/weightings used for 2022 under the plan supported our business plan and strategy, which incorporates our commitment to reduce water use. Named Executives', as listed in the 2023 Ford Shareholders Proxy Statement, compensation is tied to our 2022 & 2020-2022 performance periods. At least 80% of each Named Executive's target compensation is performance-based. We regularly meet with investors to discuss and receive feedback on various topics, including environmental practices. Based on these interactions, we believe investors were generally satisfied with our compensation programs in 2022 and are pleased that they support our compensation philosophy, policies and programs.

**W6.4a**

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Corporate executive team	Reduction of water withdrawal and/or consumption volumes – supply chain Improvements in water efficiency – direct operations Reduction of water pollution incidents	The Ford executive team has several environmental objectives included in determining the cash awards for 2022 under the Company's Annual Performance Bonus ("Plan"). These environmental objectives include improvements in water efficiency (direct operations), which support Ford's global water target; reduction of water withdrawal and consumption values in the supply chain and reduction in waste water pollution incident, both of which are in alignment with Ford's policy titled, "We Are Committed to Human Rights and the Environment".  For example, one key performance indicator is our Environmental Compliance Index (ECI). The target is to have a score of 100%. However, a deduction occurs when a compliance issue arises (eg. an off-site release). Each site has their own score, which rolls up to a global total.  These incentives have impacted Ford by keeping water reduction at the forefront by tracking water performance on our global metrics and encourages continued reduction. Additionally, the incentives have kept leadership engaged in pursuing environmental reductions.	The corporate performance goals for determining the cash awards for 2022 under the Company's Annual Performance Bonus Plan ("Plan") were designed to support the Company's business plan and strategy, which incorporates our commitment to reduce water withdrawals globally in our manufacturing operations.  Further, the individual performance factor that applies to awards under the Plan and to determining the size of equity awards is assessed on the individual's success in driving and aligning with our Ford+ plan and corporate strategy, which can include efforts around sustainability, water reductions, climate change, and other areas depending on each individual's role. For example, the global water target for 2022 was a 1.5% reduction from 2021, which was our threshold for success. If the company performance is more than 10% below plan, bonuses can be reduced.
Non-monetary reward	Other, please specify (Environment/Sustainability Manager)	Reduction of water withdrawal and/or consumption volumes – supply chain Improvements in water efficiency – direct operations	Ford's annual Environmental Leadership and Community Outreach Awards aligns with our policy on "Protecting Human Rights and the Environment" by encouraged sites to go beyond environmental compliance and engage with the local community. This incentive has successfully driven new and innovative environmental reduction projects, like water reuse and recycling.	Ford's Environmental Quality Office presents annual Environmental Leadership and Community Outreach Awards in each different region of the globe. Nominations for the Environmental Leadership Award are judged by subject matter experts within the Company on environmental benefit, cost effectiveness, replicability, and several other criteria. Nominations for the Community Outreach Award are judged by subject matter experts within the company on community benefit, replicability, and several other criteria.  Awards are presented at regional workshops and also re-presented in ceremonies at the winning facilities.

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, direct engagement with policy makers

Yes, other

**W6.5a**

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**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Ford's Environmental Quality Office (EQO) is responsible for Ford's global water policy and water commitments. Any engagements with regulatory agencies on rulemakings related to water use within our operations would be done by personnel within EQO and thus consistency with the water policy and water commitments is assured.

Ford also engages with external industry organizations such as the Automotive Industry Action Group (AIAG) and Suppliers Partnership for the Environment (SP) in an effort to share water best practices with other manufacturers and suppliers across industries. EQO personnel also support Ford's work with the AIAG and SP, so consistency with water policy and water commitments is assured.

Ford also engages with GRI, the UN CEO Water Mandate, and other NGOs with a focus on water. It is critical that Ford engage with the NGOs developing the standards for water reporting. There is a risk that water definitions proposed by NGOs may be inconsistent with Ford's water policy and disincentivize water reuse and recycling by facilities if definitions are not crafted with a knowledge of industrial operations. Ford works with these organizations to make its positions known.

If an inconsistency was discovered, the matter would be routed and reviewed by Ford's Environmental Quality Office (EQO), which reports to the Chief Sustainability Officer, as part of the monthly global environmental governance process. EQO would ensure any necessary changes would be made.

**W6.6**

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**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

**W7. Business strategy**

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**W7.1**

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**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	21-30	<p>Ford's business plan aims to drive growth, improve execution, deliver customer satisfaction and speed up our transformation. Our long-term business planning and objectives have always been informed by a robust water strategy framework and risk assessment.</p> <p>Water related issues are integrated into Ford's long term environmental business objectives by reviewing opportunities to achieve our corporate water goals. Items considered for new manufacturing facilities are identification of freshwater availability, opportunities to reduce our water footprint, other methods to traditional cooling towers, i.e. geothermal heating/cooling, and an alternative water source (gray water from offsite wastewater treatment plant).</p> <p>Every 2.5 years, we conduct a comprehensive review of our global strategy with participation from all regions, business units with a long-term horizon of 2050. Within this long-term strategy review, the following long-term water-related issues were considered:</p> <ul style="list-style-type: none"> <li>- Water scarcity</li> <li>- Water availability</li> <li>- Deteriorating Water Quality</li> <li>- Water recyclability</li> <li>- Supply Chain Water Risks</li> <li>- Regulation and Taxation</li> </ul> <p>Additionally, we track these water-related issues on a short-to-medium term basis: 1) Supply reliability 2) Water efficiency 3) Compliance 4) Economics 5) Water quality 6) Local watershed and 7) Social/community. The water strategy framework and targets support our broader business objectives through global and local business planning processes."</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	<p>Ford's evolving business model aims to create long-term value by reducing our reliance on natural capital and non-renewable materials and resources. Water related issues included in our strategy to achieve long-term objectives are: Water scarcity, Water availability, Deteriorating Water quality, Water recyclability, Supply Chain Water risks and Regulation and Taxation.</p> <p>This is accomplished by leveraging the internally developed 100 Point tool that contains various sustainable projects, including water reducing and efficiency. The priority of each project varies based on the facility's location (e.g. water scarce region) and whether it's an existing facility or new construction. When Ford determines where and how to build new vehicles, the 100 Point tool is used to ensure water issues are addressed in the business objective.</p> <p>An implementation example is when Ford wanted to expand manufacturing operations in Cuautitlan, Mexico. Since Cuautitlan Assembly Plant is located in a water scarce region, Ford recognized that the surrounding community utilizes its drinking water from the same aquifer that Ford withdraws water. Ford installed an "end-of-pipe" water recycling technology in the onsite wastewater treatment plant to greatly reduce freshwater withdrawal plus the use of an alternative water source (wastewater from another organization). This helped ensure our its operations did not detract from the community's access to fresh drinking water.</p>
Financial planning	Yes, water-related issues are integrated	21-30	<p>What's good for the planet really is what's good for business. Ford's investments in electrification and sustainable operations reflect this commitment. Ford integrates water related issues (Water scarcity, Water availability, Deteriorating Water quality, Water recyclability, Supply Chain Water risks and Regulation and Taxation ) into its long-term business financial planning by ensuring it's aspirational goals like using potable water only for human consumption and zero water withdrawal for manufacturing processes are considered when allocating funding needs around new manufacturing projects.</p> <p>One way this is accomplished is by leveraging the internally developed 100 Point tool, which contains various sustainable projects, including water reducing projects, and the priority of each project will vary based on the facility's location (e.g. water scarce region) and whether it's an existing facility of a new construction facility. When Ford is determining where and how to build new vehicles, the 100 Point sustainability process is used to integrate water reducing process initiatives and associated costs into new program planning. Investments for these water initiatives are identified at various program planning milestones and are reviewed on a continual basis to ensure successful execution. Any associated cost saving and implication to environmental targets are identified as part of the entire product and financial planning process.</p>

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

68

**Anticipated forward trend for CAPEX (+/- % change)**

0

**Water-related OPEX (+/- % change)**

78

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

CAPEX for United States plant water reduction projects increased from 2021 to 2022 by 68%. The increase is due to Chicago Assembly Plant converting to zirconium oxide in its paint pretreatment operation and a replacement of RO membranes. Capital costs also include those associated with the Flat Rock Assembly Plant, Kansas City Assembly Plant, and Louisville Assembly Plant wastewater treatment plant reuse projects.

OPEX for United States plant water reduction projects increased from 2021 to 2022 by 78%. The increase is due to Chicago Assembly Plant converting to zirconium oxide in its paint pretreatment operation and a replacement of RO membranes. Operational costs also include those associated with the Flat Rock Assembly Plant, Kansas City Assembly Plant, and Louisville Assembly Plant wastewater treatment plant reuse projects.

**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	<p>In 2022, Ford published its fourth stand-alone climate change scenario report (Task Force on Climate-Related Financial Disclosure (TCFD) Report 2022) which complements our annual sustainability report and provides stakeholders with Ford's perspective on the risks and opportunities associated with climate change. It addresses Ford's vision of new mobility solutions that will contribute to a low-carbon future.</p> <p>Ford engaged an outside consultant with experience in the oil, gas and automotive industries, and an expert in Scenario Planning and the Ceres Oil and Gas 2 Degree Scenario Analysis Framework, to create scenarios that were diverse, distinct and expansive.</p> <p>The Trucost physical risk analysis was a part of the climate change scenario report and included an analysis of how climate impacts water. This analysis concluded the most significant climate-related risk for Ford is water stress, with Ford plants in India, China, South Africa and Mexico among those identified most affected.</p>

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	<p>Ford works with Trucost to perform both quantitative and qualitative analyses for over 70 of our manufacturing and non-manufacturing sites across 17 countries. Trucost analyzes exposure of facilities to the physical impacts of climate change using:</p> <p>Physical risk indicators including heatwaves, cold waves, droughts, cyclones, wildfires, and river and coastal flooding</p> <p>Low (less than 2°C), moderate (greater than 2°C) and high (greater than 4°C) future climate change scenarios</p> <p>Estimated impacts in 2025, 2030 and 2050 timeframes</p> <p>Based on Trucost's analysis, the most significant climate-related risk for Ford is water stress, with Ford plants in India, China, South Africa and Mexico among those identified most affected. Flooding and cyclones/typhoons are also high risks for some sites in Asia.</p>	<p>Water-related outcomes from our previously conducted scenario analysis include urbanization, extreme weather events, natural disasters, rising sea levels, droughts and water shortages. All possibly could impact our vehicle production at Ford's 11 manufacturing facilities identified as being located in water-stressed areas. The impacts include unavailability of water during droughts, inaccessibility to the manufacturing facility due to flooding from high sea levels.</p> <p>All the Low, Moderate and High scenarios resulted in composite scores that remained fairly constant across all years analyzed for 100% of our facilities. The scenario data associated with Ford's key water analysis parameter showed 1 manufacturing facility to have a 92% increase in water stress risk from 2020 to 2050. Ford will monitor the potential for this site to be added to our list of facilities in water stressed areas.</p> <p>Our 11 water stressed facilities represent approximately 21% of our global facilities, located in Mexico (Chihuahua, Cuautitlan, Irapuato, Hermosillo), India (Sanand, Chennai), Turkey (Eskisehir, Kocaeli), Spain (Valencia), South Africa (Port Elizabeth and Pretoria).</p>	<p>We evaluate our water strategy to align with core elements of the CEO Water Mandate, a public-private initiative launched by the United Nations Secretary General in 2007. We developed our business strategy to prioritize addressing our water use and community water issues in water-stressed regions.</p> <p>As a result of the climate-related risk analysis, Ford continued to prioritize water reduction efforts in sites located in water stressed regions within the third iteration of our corporate water strategy. Our strategic response to the analysis resulted in setting the water strategy target of a 15% reduction in freshwater by 2025 from a 2019 baseline. As an example of both an operational and strategic response, in 2021 both Irapuato Transmission Plant and Chihuahua Engine Plant achieved zero freshwater for manufacturing. Another operational response to water-related impacts is at our assembly plant in Pretoria, South Africa, which is located in a water-stressed area. As part of Project Blue Oval, the site is planning is the implementation of treated wastewater reuse at the assembly plant by 2024. The short-term goal will be to capture 100 percent of the facility's wastewater for recycling, and to reuse the maximum available volume back into the manufacturing process. The long-term goal will be to identify and utilize alternative non-freshwater sources to eliminate the use of freshwater in manufacturing entirely.</p>

**W7.4**

**(W7.4) Does your company use an internal price on water?**

Row 1

**Does your company use an internal price on water?**

No, but we are currently exploring water valuation practices

**Please explain**

Ford has used the Water Risk Monetizer, developed by Ecolab in partnership with Trucost and Microsoft, to examine some of its operations. Ford has provided input to Ecolab and Trucost on Water Risk Monetizer developments.

Ford continues to look for ways to incorporate the "true cost of water" into its water strategy and decision-making.

**W7.5**

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Other, please specify (Focus on water stewardship of our manufacturing processes)	Continue to monitor industry trends.

## W8. Targets

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### W8.1

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#### (W8.1) Do you have any water-related targets?

Yes

### W8.1a

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#### (W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, but we plan to within the next two years	We are evaluating reduction discharge water quality targets for our sites that are water discharge sites.
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	No, but we plan to within the next two years	We are currently evaluating the potential for a WASH target in the future.
Other	No, but we plan to within the next two years	We are evaluating the potential for additional types of water targets that align with Ford's environmental strategy.

### W8.1b

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#### (W8.1b) Provide details of your water-related targets and the progress made.

##### Target reference number

Target 1

##### Category of target

Water withdrawals

##### Target coverage

Company-wide (direct operations only)

##### Quantitative metric

Reduction in total water withdrawals

##### Year target was set

2021

##### Base year

2019

##### Base year figure

19300000

##### Target year

2025

##### Target year figure

16405000

##### Reporting year figure

15100000

##### % of target achieved relative to base year

145.077720207254

##### Target status in reporting year

Achieved

##### Please explain

In 2019, Ford withdrew 19.3 million cubic meters of freshwater. In 2022, Ford achieved a 21.7% reduction in absolute freshwater (15.1 million cubic meters of freshwater) compared to 2019. From 2021 to 2022, vehicle production increased by 13.5%, and is forecasted to continue to increase over the years.

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## W9. Verification

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### W9.1

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#### (W9.1) Do you verify any OTHER water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we are waiting for more mature verification standards and/or processes

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	<p>Direct operations: Ford understands the broad magnitude of plastic packaging used such as layer, separators and the plastic containers themselves. Plastic containers have a closed loop and many allocators and separators are reused as well. Worn or single-use items are disposed of in an environmentally correct way with Ford recycling and disposal partners.</p> <p>Supply chain: Tier 1 suppliers receive an Engineering Statement of Work that requests virgin and sustainable alternative materials for new parts. Using internal material and weight databases, Ford analyzes the types of plastics used in our vehicles to better understand our plastic carbon footprint. Additionally, we have worked with major plastic suppliers to obtain detailed information on our plastic content to identify the profile of plastics procured and CO2 equivalent values.</p> <p>Product Use Phase: Ford has a material selection team, which counsels R&amp;D from the Purchasing and Material engineering end in relation to the plastic selection for specific applications. All plastics have a Ford specification number and are tracked in IMDS (widely used database to disclose material ingrediencies) and IPoint which is a Ford internal Database for all approved Materials . All plastic applications have to have the Ford specification on the drawing and LCAs and EOL analysis are under way with GABI and SimPro software.</p>

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	<p>To protect the environment, Ford's corporate policy indicates that we will minimize negative impacts on both human beings and the environment, while striving for a positive impact and considering environmental performance throughout the life cycle of a vehicle.</p> <p>We utilize life cycle assessment studies and environmental product data related to our plastic supply chain to understand the potential environmental impacts of our vehicles and services from the acquisition of raw materials, through vehicle production, distribution, and use, to end-of-life disposal or recycling. This data help to inform our product design and material procurement decisions in order to reduce our environmental footprint. As we've recognized the impacts of single-use plastics, Ford has set an aspirational target to eliminate single-use plastics by 2030.</p>

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	Regulatory Reputational Technology	<p>Regulatory: If legislation expands to include sustainable plastic material targets and Ford is not yet in the requested range ,this may result in regulatory penalties.</p> <p>Reputation: It is important to Ford's reputation that our supplier's follow our requirements on hazardous/toxic materials.</p> <p>Technology: Be advanced with new innovations and secure material volume like bio-based polymers or chemical recycled polymers. Availability on the market is currently limited. Additionally, the selection of materials that are very limited on the market have the potential to be under allocation for several Tiers because of low accessibility. It is key that sustainable materials are affordable to ensure best in class customer pricing.</p>

W10.4

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging Plastic goods Other	Reduce the total weight of virgin content in plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging Increase the proportion of plastic packaging that is recyclable in practice and at scale Increase the proportion of plastic packaging that is compostable Eliminate single-use plastic goods Eliminate problematic and unnecessary plastics within our goods Reduce the total weight of virgin content in plastic goods Increase the proportion of post-consumer recycled content in plastic goods	Ford has different targets to be fulfilled in relation to plastics. With respect to our products, we produce goods that contain plastic components. We aspire to use only recycled or renewable content in vehicle plastics and have established an interim target of 20% renewable or recycled plastics in new vehicle designs for North America, Europe and Turkey by 2025, and 10% in China.  With regard to packaging in manufacturing, we require our suppliers to: use recycled and renewable materials where possible in packaging; increase use of recycled content and improve recyclability of Ford products through material selection and product design as approved by Ford; eliminate waste; divert waste from landfill to products; and work to reduce single use plastics throughout the manufacturing process.

**W10.5**

**(W10.5) Indicate whether your organization engages in the following activities.**

	Activity applies	Comment
Production of plastic polymers	No	Ford only buys end items or granulates out of the Raw Material Supply base and does not produce polymers.
Production of durable plastic components	Yes	Ford has a variety of Plastic Components in our vehicle lines. example: Procured from the Ford Supply base; Door Trim, IP Console, Seat, Plastic, Hart and Soft Trim, Cluster instrument Lighting, Bumper, Front end, Wheel Arch liner, etc.
Production / commercialization of durable plastic goods (including mixed materials)	Yes	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

**W10.7**

**(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.**

**Row 1**

**Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)**  
209609

**Raw material content percentages available to report**

- % virgin fossil-based content
- % post-industrial recycled content
- % post-consumer recycled content

**% virgin fossil-based content**  
97.4

**% virgin renewable content**  
<Not Applicable>

**% post-industrial recycled content**  
1.4

**% post-consumer recycled content**  
1.2

**Please explain**

Based on current content disclosure, we do not know the exact percentage of virgin plastic so we are conservatively allocating the remaining 97.4% to fossil-based (tested this process by using one vehicle). This information is voluntarily provided by our suppliers, and is not verified.

**W11. Sign off**



## W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

## W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	The CEO, also Ford's President, is focused on accelerating Ford's transformation through operational excellence that benefits customers and delivers sustainable growth.	Chief Executive Officer (CEO)

## SW. Supply chain module

## SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	136300000000

## SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

This is confidential

## SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for some facilities	

## SW1.2a

(SW1.2a) Please provide all available geolocation data for your facilities.

Identifier	Latitude	Longitude	Comment
Auto Alliance Thailand Assembly	13.0084	101.171	
Changan Ford Chongqing Assembly Plant 1	29.6857	106.5893	
Changan Ford Chongqing Assembly Plant 2	29.6857	106.5893	
Changan Ford Chongqing Assembly Plant 3	29.6857	106.5893	
Changan Ford Chongqing Engine	29.66586	106.5016	
Changan Ford Chongqing Transmission	29.66586	106.5016	
Ford Harbin Assembly	45.6149	126.6579	
Ford Thailand Manufacturing	13.00588	101.1671	
Haiduong Assembly	20.93499	106.2457	
JMC Xiaolan Assembly	28.52023	115.8762	
JMC Xiaolan Engine	28.52023	115.8762	

## SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

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(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

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(SW3.1) Provide any available water intensity values for your organization's products or services.

**Product name**

All vehicles produced globally in 2022

**Water intensity value**

3.51

**Numerator: Water aspect**

Water withdrawn

**Denominator**

Vehicle produced

**Comment**

Global Water Use per Vehicle Produced (cubic meters per vehicle produced).

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Submit your response

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In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms