

Human Rights Report 2022



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Links to useful resources:

- [Integrated Sustainability and Financial Report 2022](#)
- [TCFD Report 2022](#)
- [We Are Committed to Protecting Human Rights and the Environment Policy](#)
- [Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Global Modern Slavery Statement](#)
- [Ford's Conflict Materials Policy](#)
- [Ford's Conflict Materials Report](#)

About This Report

As a company we strive to build a better world, which is why we continue to commit ourselves to protecting basic human rights.

For the first time in our history, Ford has developed a stand-alone Human Rights Report to present the company's commitment and approach to human rights, the salient issues we have identified, and how they are managed.

This report is the latest step in a reporting journey that began in 2018 when Ford conducted the first human rights saliency assessment in the auto industry. Our leadership continues with this stand-alone Human Rights Report – the first in the auto industry.

This Report supplements our [2022 Integrated Sustainability and Financial Report](#) and sits alongside our stand-alone Task Force on Climate-related Financial Disclosures (TCFD) Report.

Our objective is to present this information in a narrative format that raises awareness of our human rights progress; demonstrates our commitment; describes the salient human rights issues, their impacts, and how they are being managed; and illustrates how they are integrated into the business and linked to broader sustainability initiatives.

The Human Rights Report is aligned with the [UN Guiding Principles Framework \(UNGPRF\)](#), the world's first comprehensive guidance for companies to report on how they respect human rights, and is used as a reporting format against UNGPRF. The salient issues we have identified are mapped to the [United Nations Sustainable Development Goals \(SDGs\)](#).

Letter from Bill Ford and Jim Farley

For all of us at Ford, the truest mark of success is whether we leave the world a better place for the next generation. From our earliest days to the present day, Ford has followed that north star.

We invented the moving assembly line and the \$5 workday, scaled the Model T, forged the Arsenal of Democracy, and converted our plants to make ventilators and masks during the pandemic. Each generation faces different challenges, but our purpose has always been the same: to help build a better world, where every person is free to move and pursue their dreams.

Today, our industry and our world are going through a period of immense change. We believe it gives us the opportunity to create the most value for the company and our customers since Henry Ford scaled the Model T. But the change in our industry makes it even more important to stay true to the values that have defined our company. We publish this report to hold ourselves accountable and determine if we are truly moving the needle on the issues that matter.

Climate change, for example, is among the biggest challenges of our generation. We all share the responsibility to address the threat it poses our economy, our health, and our way of life. Just like the Model T revolutionized mobility, we believe electrification can do the same for reducing carbon emissions. So, we have been transforming our business to lead the electric revolution at scale, creating distinct but complementary businesses – Ford Model e, Ford Blue, and Ford Pro – that will help us compete and win in the new era of electric and connected vehicles.

We are introducing all-electric versions of our most popular, iconic nameplates – the F-150 Lightning, the Mustang Mach-E, and the E-Transit van – and scaling production to reach a target of producing more than 2 million electric vehicles per year by 2026. We are also leading a new era of sustainable manufacturing, re-thinking not just what we build, but how we build. In Tennessee and Kentucky, we have made the largest one-time U.S. investment by any automotive manufacturer to construct the most sustainable manufacturing facilities in our history. Around the world, we are dedicating more than \$50 billion through 2026 to accelerate our zero-emission vehicle plan and create an ultra-efficient manufacturing system for our vehicles and the batteries that power them, helping us achieve our goal of carbon neutrality by 2050. Our aspiration is to achieve a business model that goes beyond net zero and becomes a net positive for both the environment and the economy.

Investing in electric vehicles is the right thing to do for our children and grandchildren. It is also the right thing to do for our business. The demand for our first-generation electric vehicles has far exceeded expectations. We believe we can profitably grow as we invest in electric vehicles, connectivity, and modernization. We plan to maximize the potential offered by digital, connected vehicles to make our products more accessible, more inclusive, and safer to drive than ever before. We are proving that you can drive prosperity and protect the planet at the same time, and investors are taking notice.

At Ford, we have always strived to take the long view on the environment, even when it was unpopular. We were one of the first industrial companies to publish our progress towards sustainability, one of the first automakers to support the Paris Agreement, and the only full-line American automaker to partner with California on more stringent emissions standards. Now, we intend to lead the industry in another respect by putting a spotlight on human rights.

Ford is publishing a Human Rights Report – a first for the company and for our industry. It will examine how our materials are sourced, where our products are manufactured, and how our labor standards measure up. Countries around the world are defining access to clean air and water as fundamental human rights. We at Ford agree – and are setting clear targets for reducing the global emissions of our entire supply chain.

Whenever the world faces disruption and uncertainty, Ford has stepped up to shape it for the better. We are at our best when we are creating something larger than ourselves. In this time of profound change, we will answer the call to lead our industry towards a more sustainable future, while giving our customers the very best of Ford.

Bill Ford
Executive Chair

Jim Farley
President and Chief Executive Officer



Bill Ford
Executive Chair



Ford's Human Rights Journey

Ford's commitment to human rights was evident when Henry Ford introduced the \$5 workday in 1914, launching the company's effort to democratize mobility and help create the middle class. This commitment stems from our purpose of helping to build a better world, and continues to guide our decision-making and actions both today and in the future.

Our business' initial focus was on vehicles. Over the years, it has broadened to encompass services, experiences and software, which along with our complex supply chain, have immense human rights implications. We have not shied away from these challenges. We embrace our legacy of service to each other, to the world, and to our customers.

Our commitment to human rights is embodied in our [We Are Committed to Protecting Human Rights and the Environment policy \(Corporate Human Rights policy\)](#). In 2021 we issued our new [Supplier Code of Conduct](#), aligned with our corporate policy.

Monitoring compliance is a significant part of our commitment to promote human rights. In 2021, for example, we expanded the use of the Responsible Business Alliance (RBA)'s online assessment tool to more than double the number of human rights risk assessments at our global manufacturing facilities from the previous year.

We are taking a more proactive approach to the broader social issues affecting the world inside and outside of Ford. We examine other emerging trends in the next section.

"To do more for the world than the world does for you, that is success," Henry Ford once said. These words guide us as we work to help build a better world for generations to come.

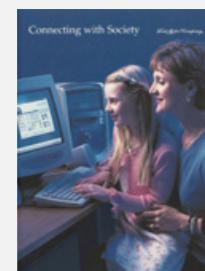


1911

Begins its tradition of assimilating the handicapped into the workplace

1999

Releases first annual Corporate Citizenship Report



2002

Conducts first social responsibility audits of suppliers

1914

Introduces \$5/day wage
Reduces workday to 8 hours

1971

Issues statement on Equal Pay Policy for women



2003

Adopts Human Rights policy for our company, business partners and suppliers

1926

Becomes one of the first companies in America to adopt a five-day, 40-hour week for workers in its automotive factories

1967

Engages with New Detroit to develop Detroit's inner-city economy and relieve hard core poverty



1941

Signs First contract with the UAW guaranteeing better pay, benefits and working conditions for its employees



1949

Launches the Ford Fund to strengthen communities and make people's lives better



2004

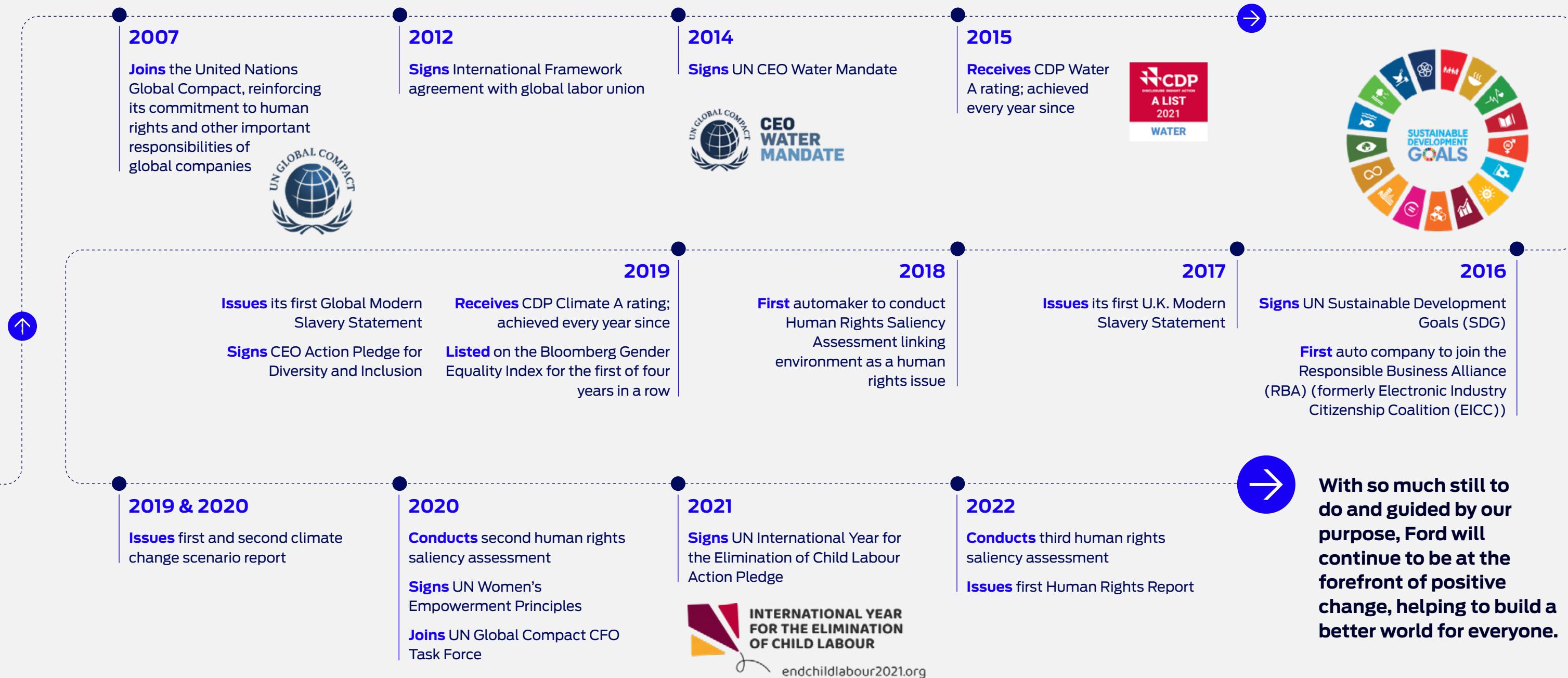
2004

First automaker to include human rights expectations in Global Terms & Conditions with suppliers

Conducts first human rights risk assessments at manufacturing facilities

Holds first-ever Multi-Company Diversity Forum, an industry-wide dialogue on automotive industry diversity efforts

Ford's Human Rights Journey – continued



Global Trends and Our Response



Ford continuously reviews and refines our approach to human rights because we understand that global challenges and trends are evolving. In this report, we not only delve into the 10 salient human rights issues we have identified in detail, but we also take a step back and look at the broader themes and challenges – and our response to them.

Global Trends

COVID-19

The impact of COVID-19 on humanity has been wide-ranging. COVID-19 has prompted a dramatic change in what life and work look like, and how they intersect. Working conditions changed as many employees began working from home, those who stayed on site adjusted to social distancing protocols, and suppliers pushed to quickly resume production after COVID-19 shutdowns ended.

COVID-19 continues to present a challenge for employee health, safety, wellbeing, working conditions and workers' rights, requiring additional levels of protection companies should provide. Companies must transform the way they approach work and workplace culture. Accommodating employees' individual needs, offering flexible work

arrangements, and ensuring a better work life balance, are all becoming more prevalent across different industries and sectors.

In this unsettled environment, uncertainty will continue, adding stress on the economy, education, business, and governments. As the past two years have shown us, COVID-19's impact is not equally distributed around the world as poorer countries struggle to ensure their populations have access to vaccines, health care, and employment.

Climate Change

The UN's Intergovernmental Panel on Climate Change (IPCC) 2021 report, *Climate Change 2021: The Physical Science*, notes that climate change is widespread and intensifying. We're seeing a heightened sense of urgency as the impact of climate change around the world becomes evident and sustained reduction in greenhouse gas emissions become more important. Record temperatures, fire, drought, and rising sea levels are in the headlines regularly.

At a time when technology is transforming vehicles and how they are made and operated, workers from manufacturing through to customer service may need to have new skills and knowledge. This is part of the Just Transition challenge.

An expectation of the Paris Agreement is to achieve a 'Just Transition' as we move towards a zero-emissions transportation future. A select number of governments supported the conditions for a Just Transition internationally at COP26. This includes ensuring environmental sustainability as well as decent work, social inclusion, and poverty eradication. The creation of new industries, new jobs, and new skills gives us the opportunity to also create more equitable and resilient economies and communities.

Electrification

As the transition to electrification extends throughout the auto industry, the increasing need for batteries to power electric vehicles could have a significant impact on human rights. An electric car battery can contain significant amounts of cobalt, lithium, and nickel. In addition, vehicles will continue to use conflict minerals such as tin, tungsten, tantalum, and gold, commonly referred to as 3TG minerals. Sourcing these materials is associated with human rights issues including forced and child labor, access to water and sanitation, and air quality.¹ In some cases land rights may also be an issue as many of the minerals used in electric vehicle batteries are located in lands critical for the livelihoods of indigenous people.²

Consumer Expectations and Regulatory Requirements

As the global focus on human rights becomes sharper and more widespread, we will see more legislation addressing human rights issues and expectations of due diligence for companies. Consumers around the world expect products to be made in an environmentally and socially responsible manner.

Around the world, legislation is in development or has been recently passed requiring companies to conduct actions to address broader human rights, environment, and responsible material due diligence in our business and supply chain. For example, the German Due Diligence Law, starting on January 2023, requires companies to address environmental and human rights issues in our business and through all levels of the supply chain to prevent or minimize risks.

¹ <https://www.amnestyusa.org/wp-content/uploads/2017/11/Time-to-recharge-online-1411.pdf>

² <https://www.washingtonpost.com/graphics/business/batteries/tossed-aside-in-the-lithium-rush/>

Global Challenges and Trends – continued

Social Justice and Climate Justice

Worldwide, the spotlight on inequality and inequity has intensified thanks to rising awareness and social justice activism. These gaps loom large – exacerbated by the pandemic, which has had a disproportionate impact on low-income communities, minorities, and women. Companies are becoming more aware of the divide and experimenting with new ways to promote equity in employment, education, and everyday wellbeing.

Environmental and climate justice are also receiving increasing attention. Not only are economically vulnerable communities often located in close proximity to polluted areas, but it's becoming apparent that the costs and challenges of climate change fall disproportionately on disadvantaged and low-income communities and the developing world. Floods, droughts, heatwaves, and storms, combined with environmental degradation, may disproportionately impact access to food, water, health, and energy security for these communities.

Businesses are under pressure to take political stands as more consumers want to align themselves with brands that share their values and views. Companies must not only recognize the power of social media to shine a light on human rights but also identify real – and perceived – human rights abuses. Consumers are increasingly expecting companies to respond to social and economic issues that impact their workforce and the communities where they live, work, and serve.

Our Response**COVID-19**

Ford has taken concrete steps to deal with the pandemic – from donating masks and vaccines, to instituting hybrid work pattern guidelines, to strengthening our supplier audits. Because of the enormous emotional toll of the pandemic, our wellness approach now extends beyond the traditional trifecta of health, safety, and security. As the pandemic continues, we will continue to seek creative and effective strategies to ensure that human rights are protected.

→ [Read more about our response to COVID-19 in the Occupational Health, Safety and Wellbeing section on p.45](#)

Climate Change

We agree with UN High Commission's characterization of climate change as a human rights obligation. Climate change extends beyond "global warming" to include environmental justice, health impacts, the availability of clean water and appropriate sanitation, and is identified as one of Ford's salient human rights issues.

Ford is the only full-line U.S. automaker to align with the Paris Agreement and to stand with the California Air Resources Board in support of stronger vehicle greenhouse gas emissions standards. And we are proud to stand with governments around the world working to meet the goals of the Paris Agreement. For our part, Ford has committed to achieve carbon neutrality worldwide across our vehicles, facilities, and suppliers no later than 2050, and we have set out a strategic path to accelerate our progress, backed by science-based targets.

As we transition to a zero emissions transportation future, we are supporting a Just Transition, which includes training and career readiness for auto technicians, creating new jobs, and strengthening local communities. We are implementing a strategy that workers, communities, and our supply chain as well as our customers are being considered in the transition to a net-zero economy.

→ [Read more about climate change on p.30](#)

Electrification

Ford is building the future of zero-emissions vehicles and breaking constraints to lead the electric revolution, investing \$50 billion from 2022 to 2026 in electric vehicles and the batteries that power them. As a major component of EVs is the batteries that power them, we work with our suppliers and business partners for responsible raw material sourcing to enhance battery recycling and build out a domestic battery supply chain for our EVs.

→ [Read more about our electrification strategy in our Integrated Sustainability and Financial Report 2022](#)

Consumer Expectations and Regulatory Requirements

We believe that strong engagement with government plays a key role in shaping the policy, regulations, and legislation that govern our business. However, there are occasions when business needs to go beyond mere legal compliance to drive positive changes on the ground. We participate openly and transparently in the political process to support local, state, national, and international policies that are economically, environmentally, and socially sustainable for our company, our customers, and their communities.

→ [Read more about policy in our Integrated Sustainability and Financial Report 2022](#)

Social Justice and Climate Justice

We believe that everyone should have access to safe, climate-friendly mobility; we are committed to bringing our customers and workforce along on the path to electrification and carbon neutrality. We are working to ensure an electric lifestyle can be for everyone, not just the elite.

Not only are we democratizing electric vehicles, we are also working to make them more affordable by offering equitable and non-discriminatory financing for products that serve underserved borrowers. We're working to make EV charging accessible in low income and disadvantaged communities, and we're developing new mobility solutions.

→ [Read more about social justice and climate justice in our Integrated Sustainability and Financial Report 2022](#)

→ [Read more about the broader trends impacting Ford and our responses in the Global Challenges and Our Response chapter of our Integrated Sustainability and Financial Report 2022](#)

Our Commitment to Human Rights

Helping build a better world where every person is free to move and pursue their dreams is the reason we exist as a company and what we strive to deliver through the vehicles and services we provide, and our relationship with our employees, dealers, and the communities in which we operate. It begins with our Ford+ philosophy, which calls on us to care for each other.

We are committed to respecting human rights everywhere we operate and throughout our entire value chain. We aspire to ensure that everything we do – or that others do for us – is consistent with local law and our own commitment to human rights per our policy, **We are Committed to Protecting Human Rights and the Environment**. In situations where non-compliance is confirmed, we provide remedy as quickly as possible. We expect our business partners and suppliers to adopt and enforce similar policies.

We are Committed to Protecting Human Rights and the Environment Policy Mandates that we:

- Treat our workforce fairly, humanely, and with respect and dignity.
- Prohibit the use of child labor in any form. We will not employ anyone below the age of 15, unless as part of a government-authorized job training or apprenticeship program that clearly benefits the participants.
- Prohibit the use of forced or compulsory labor in any form and do not tolerate any forms of abusive disciplinary practices.
- Prohibit the use or support of human trafficking.
- Follow ethical recruiting practices, including but not limited to prohibiting the use of misleading or fraudulent practices while offering employment, the use of recruitment fees paid by employees, and the confiscating, destroying, concealing, and/or denying of access to employee identity documents.
- Recognize and respect employees' rights to freedom of association and collective bargaining. We will work with recognized employee representatives to promote the interests of employees. Even where there is no

representation by unions, we provide opportunities for employee and external stakeholder concerns to be heard.

- Comply with applicable laws regulating hours of work and provide fair and competitive compensation and benefits that meet or exceed legal requirements.
- Commit to not tolerating harassment or discrimination of any form, supporting diversity and women's rights, providing a healthy and safe working environment, protecting consumer and employee data privacy, and prohibiting bribery, even in countries where it may be tolerated or condoned.

→ [Read more in our We Are Committed to Protecting Human Rights and the Environment policy](#)

→ [Read more in Sustainability, Innovation and Policy Committee Charter](#)

→ [Read more in Compensation, Talent and Culture Committee Charter](#)

In addition to our corporate policy, Ford has a Global Framework Agreement (GFA) with IndustriALL Global Union that reiterates our commitments to human rights with our global labor community.

Eliminate Child Labor

Ford commits to policies and actions to prevent child labor. The pledge describes actions companies can take to eliminate child labor around the world in 2021. In signing the pledge, Ford commits to respect human rights by extending policies and due diligence processes outlined in the company's own human rights policy to its suppliers and business partners, including the prohibition of child labor. Ford is also engaged with the Responsible Business Alliance and other multi-stakeholder groups to encourage others across industries to adopt best practices to end child labor.

We are also signatories to:

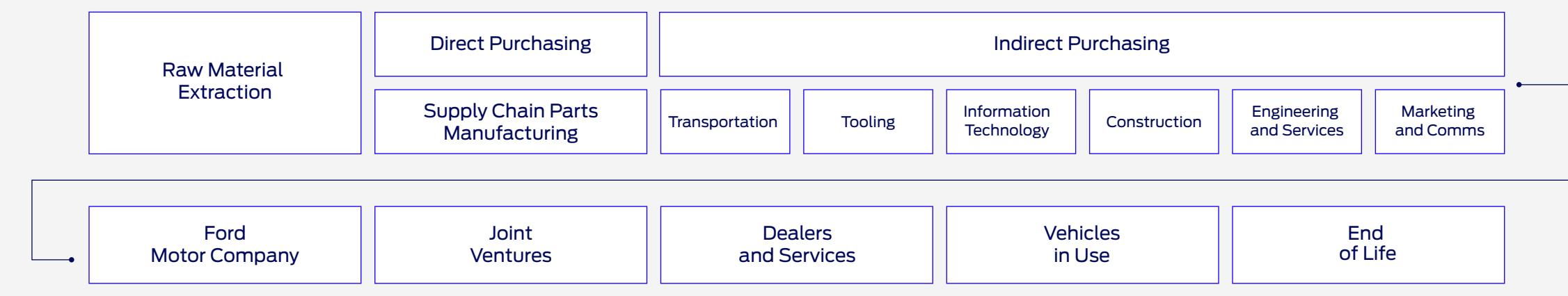
- the UN Women's Empowerment Principles
- the UN Global Compact
- the UN Sustainable Development Goals (SDGs)
- the CEO Action for Diversity & Inclusion Pledge



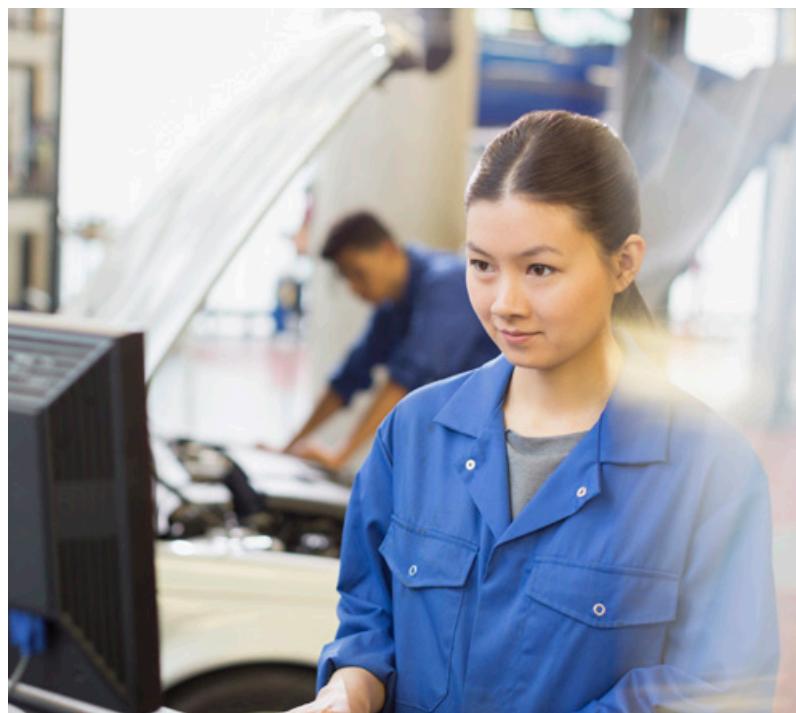
As the first major U.S. automaker to sign the Action Pledge for United Nations' International Year for the Elimination of Child Labor, Ford is taking this opportunity to show leadership within the industry to eliminate child labor not just in our business, but also in our supply chain. By holding our suppliers and partners to the same high standards, we can work towards building a better world."

Mary Wroten, Director of Global Sustainability and ESG

Value Chain Map



Our Approach to Human Rights



Ford's commitment to respecting human rights is embedded throughout our company, and we expect our business partners and supply chain to do the same.

Governance and Accountability

Transparency and accountability are integral to the design of our policies and programs.

Our Chief Executive Officer approves and has oversight for all corporate policies, including our policy, [We Are Committed to Protecting Human Rights and the Environment](#) ("Corporate Human Rights Policy"). The Sustainability, Innovation and Policy Committee of the Board of Directors provides oversight of this policy. Human rights issues are brought to their attention for review and oversight as they arise. The Board also reviews the Modern Slavery Statement, our ESG strategy, as well as the Integrated Sustainability and Financial Report.

The Vice President, Chief Sustainability, Environment and Safety Officer is responsible for interpreting and implementing this policy and reviewing with, as appropriate, the Vice President Global Manufacturing and Labor Affairs, Vice President Global Commodity Purchasing, Chief People and Employee Experiences Officer, and the General Counsel.

Human rights issues are monitored throughout the year. Our Vice President Chief Sustainability, Environment and Safety Officer leads a monthly Global Sustainability & ESG Meeting, where a multi-disciplinary, executive-level team oversees our sustainability strategies and governance related to our Corporate Human Rights Policy. Our corporate meeting structure improves how we operate the business today and prepares us for the future, framing how we think, inspect, decide, and learn.

The Global Sustainability team is responsible for day-to-day human rights leadership within our operations, working with Global Manufacturing and Labor Affairs, Global Purchasing, Human Resources, and the Office of the General Counsel. The Purchasing Supply Chain Sustainability team is responsible for day-to-day human rights, environmental and responsible material sourcing oversight and capacity building with our supply chain. Both teams work closely together to ensure corporate expectations are cascaded to suppliers.

Responsibility for adhering to and upholding our Corporate Human Rights Policy lies with each of our employees, business partners, and suppliers. We have managers responsible for human rights issues in many parts of our organization, including Human Resources, People Matters, Purchasing, Sales, Health and Safety, Global Labor Strategy, Sustainability, and the Office of the General Counsel, in addition to our Global Business Units. We train Purchasing employees on our Corporate Human Rights Policy and Supply Chain Sustainability program, focusing on identifying and reporting warning indicators for potential human rights violations.

Executives and managers throughout the company have human rights issues included in their annual objectives, such as responsible sourcing of minerals, air quality, climate change, and health and safety. As part of the company's annual compensation process, performance assessment against objectives is one of the factors that determines individual compensation.

Our Approach to Human Rights – continued



We earn our reputation as a good corporate citizen every day, in everything we do, by leading with our values.”

Bill Ford, Executive Chair



Strategy and Policies

We have developed our social sustainability aspirations to align with our purpose to build a better world. We treat our workforce fairly, humanely, and with respect and dignity — and we expect our suppliers to do the same. To achieve these aspirations, Ford’s Human Rights strategy, aligned with the UN Guiding Principles on Business and Human Rights, focuses on:

- embedding the corporate policy into the business
- implementing due diligence processes to identify, prevent, mitigate, and account for human rights impacts
- providing remedial actions when needed
- communicating transparently with our stakeholders about our processes and actions.

We originally adopted our human rights policy for our company and suppliers in 2003. It has evolved and been updated since then. In 2021, our We are Committed to Protecting Human Rights and the Environment Policy was issued, acknowledging the impact the environment has on human rights. This policy guides engagement with our workforce and other stakeholders in the countries and communities where we operate.

As part of our commitment to transparency, our Corporate Human Rights Policy is publicly available in 10 languages on our company website and is referenced in our Integrated Sustainability and Financial Report 2022, the Supplier Code of Conduct, and the Global Modern Slavery and Human Trafficking Transparency Statement. Our Responsible Materials Sourcing Policy is also publicly available on our company website.

In our updated Ford Code of Conduct, Bill Ford, Executive Chair, notes “We earn our reputation as a good corporate citizen every day, in everything we do, by leading with our values.” Because our Corporate Human Rights Policy is important to Ford, we share it with our workforce in our corporate training and our Code of Conduct.

In addition, our commitments in the GFA to our global labor community are based on highly respected labor standards supported by groups, institutions, and documents, such as the UN Universal Declaration of Human Rights, Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and ILO Declaration on Fundamental Principles and Rights at Work.

We ensure ongoing compliance with the GFA principles through open dialogue with our union partners. Where compliance issues are identified, we collaborate on solutions to critical issues as they arise. Ford hosts an annual Global Information Sharing Forum (GISF), attended by union leaders, senior leaders at Ford, and union representatives. Topics discussed at the 2021 meeting included sustainability aspirations, Sustainable Financing Framework, carbon neutrality, Supplier Code of Conduct, and responsible material sourcing.

We also work with our suppliers to help us fulfill our commitment to maintaining a responsible, sustainable, and transparent company and to extend these commitments to their own supply chain. Our suppliers are required to comply with our Supplier Code of Conduct through our Global Terms and Conditions (GT&Cs). The Supplier Code of Conduct outlines our requirements for supplier relationships in areas related to human rights, the environment, responsible material sourcing, responsible and lawful business practices and the associated implementation of these principles. It also requires that our suppliers enforce a similar code of practice and require that subcontractors do the same, including those covering human rights.

Key aspects of the Supplier Code of Conduct:

- **Protect and respect human rights:** Treating their workforce humanely and with dignity, following ethical recruiting practices, providing a healthy and safe working environment – refusing to tolerate child labor, modern slavery, forced labor, or harassment of any kind.
 - **Protect the environment:** Complying with Ford’s environmental requirements and policies. Among these are all relevant national, regional, environmental, and chemical legislation. Ford expects suppliers to minimize their impact on climate change, aligned with the Paris Agreement. Ford extends the supplier environmental commitment with continual environmental improvement in manufacturing operations, the use of recycled and renewable materials in packaging, as well as utilizing materials with reduced toxicity in the manufacturing process.
 - **Responsibly sourced materials:** Providing information upon request to verify that materials supplied to Ford are responsible in their sourcing and following [Ford’s Responsible Materials Sourcing Policy](#) by conducting due diligence and increasing transparency related to raw materials – particularly materials sourced from conflict-affected or high-risk areas.
 - **Maintain responsible business practices:** Conducting business free from bribery and corruption, maintaining effective privacy and cyber-security practices and complying with applicable trade and customs rules.
- In addition, to ensure diverse suppliers are considered through the entire supply chain, we have added supplier diversity and inclusivity language into our GT&Cs. We are encouraging suppliers to establish a Supplier Diversity & Inclusion program with specific goals and metrics on diverse supplier spend. Diverse spending by Tier 1 suppliers is part of our consideration for sourcing opportunities.

Our Approach to Human Rights – continued



We have the right to immediately suspend or discontinue engagement with suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses. We will work with suppliers, as appropriate, to prevent, cease, and mitigate risk through the adoption of a mutually agreed upon corrective action plan.

[→ Read more about Human Rights in our Supply Chain on p.15](#)

Risk Assessments

To address global trends shaping the business and the human rights landscape, we conduct a biannual saliency assessment to identify potential high-risk human rights areas within our operations and along our value chain.

Our 2022 saliency assessment also highlighted impacts in our value chain specifically in manufacturing and raw material extraction in Africa, Europe, South America, Asia, and conflict-affected and high-risk areas (CAHRAs), as well as arid and flood-prone regions.

[→ Read more about our 2022 saliency assessment on p.19](#)

In 2021, we expanded the use of our human rights risk assessments to more of our global Ford and Joint Venture manufacturing facilities, using [RBA's online assessment tool](#) that was developed by human rights experts to help identify areas within facilities that may be at more risk for human rights issues, including child labor, forced labor, and human trafficking. Since 2004 we have assessed over 70 global manufacturing and joint venture facilities.

We also conduct annual human rights risk assessments in our supply chain, covering approximately 4,500 Tier 1 supplier sites around the world.

[→ Read more about risk assessments in our supply chain on p.16](#)

We integrate findings from the saliency assessment and human rights risk assessments back into our decision-making and actions.

70+
human rights risk
assessments conducted
at global manufacturing
and joint venture facilities
since 2004

Measuring Social Impact

To measure our social sustainability and human rights progress, we believed it was important to develop consistent definitions and methodology to assess our progress over time. To address this challenge, we worked with the University of Michigan's Erb Institute to develop our [Social Impact Model](#).

In addition to developing clear definitions to evaluate our impact on society, our Social Impact Model created a process to look across the issues and identify our impacts and measure progress. We can use this analysis to make decisions and prioritization for social sustainability. Our Social Impact Model helps us identify areas in which to focus our human rights efforts and measure our progress.

We aim to go beyond minimizing the impact of our activities to having a net positive contribution to society and the environment.

[→ CASE STUDY: Our Social Impact Model](#)

Communication and Training

To embed our policies into our business, it's imperative that our employees and contract workers are aware of them and how they should inform their decisions and actions.

Our Corporate Policies formally set out the expectations we have for our employees and others working on our behalf. These expectations and principles are also contained within our Code of Conduct which covers topics related to human rights, the environment, responsible material sourcing, and lawful business practices, and is publicly accessible and available to employees in 12 languages. These expectations are reinforced in mandatory online training courses for all Ford salaried full-time, part-time and, agency workers, including an annual Code of Conduct course. These courses are periodically refreshed and reviewed to ensure the content remains relevant and appropriate.

In addition, to provide our employees with the training needed, we use an interactive learning experience platform called "Degreed" which offers diverse learning opportunities for professional and personal development.

Degreed has become our main hub for learning, connecting employees to top of mind topics within Ford including issues such as Sustainability, Human Rights, Diversity, Equity, and Inclusion, and Employee Wellness. Degreed is available to all Ford salaried employees. Our monthly usage ranges from 10,000-15,000 active users. As of the end of January 2022, we have 52,670 total users in the platform.

[→ Read more about our purchasing team and supplier training on p.15](#)

Our Approach to Human Rights – continued

CASE STUDY →

Social Impact Model



Ford believes that to build a better world we needed to define what human progress really means. Despite the numerous sustainability metrics and frameworks, we are often asked: "What is human progress (social impact) and how is it measured?" Our Social Impact Model is an opportunity to answer these questions in a way that can benefit not only Ford, but all companies struggling with this question.

While environmental metrics are well established and widely used, there is a lack of consistency in reporting social sustainability impacts across companies and industries. We conducted a two-year study in partnership with the University of Michigan's Erb Institute to develop a [Social Impact Model](#) that would help identify social sustainability opportunities and risks for consideration in strategic and business decisions. Through interviews with 166 Ford employees, external subject matter experts, and community members in Southeast Michigan, we identified impacts that the company was making throughout our business and communities. Using a structured approach to analyze the data, we were able to develop four core definitions for social sustainability and identify metrics

to consistently measure progress over time. The model for Ford links back to our legacy and purpose of driving progress through mobility and accessibility. We aim to go beyond minimizing the impact of our activities to having a net positive contribution to society and the environment.

The Social Impact Model defines four core pillars of social impact:

- **Preserving human rights**
- **Protecting human health, safety, and wellbeing**
- **Increasing access to social good**
- **Enhancing societal economic prosperity**

We plan to use the model to measure progress year over year, detect performance gaps, identify areas to improve our social sustainability strategy, and integrate social impact reporting into our business. The model purposely identifies metrics that are easily reported or already exist in reported data today. While these are surrogates for more targeted metrics, they provide a directional metric to demonstrate progress over time.

For example, the Preserving Human Rights pillar metrics include our Corporate Human Rights Benchmark score, diversity in leadership, responsible supply chain disclosure, and the wage gap.

The initial development of the model identified potential limitations with the research focused on mobility and identified opportunities to further validate the metrics for broader cross-industry use. Therefore, we partnered with the University of Michigan, Ross School of Business Multidisciplinary Action Program to validate the model and metrics. We wanted to understand if the initial model could be used by other companies in different industries. Through review of over 50 other company sustainability

Social Impact

Preserve human rights

2021 Metrics

- 41.5%** Corporate Human Rights Benchmark Score*
- 17.9%** Women in Leadership (Corporate Officers)
- 17.9%** Minorities in Leadership (Corporate Officers)
- Wage Gap (Gender & Minority)
- 98.0%*** Global Salaried Gender Pay Ratio
- 100.1%**** U.S. Salaried Minority Pay Ratio

Protect human health, safety and well-being

- OHS:**
 - Global lost time case rate **0.35**
 - Total fatalities **3**
 - Employee Engagement: **87%** of employees have flexibility to balance work and personal life (mostly salaried employees surveyed)
- Product Safety:** nameplates with 5-star NCAP rating
 - **71%** US NCAP
 - **83%** Euro NCAP

Enhance societal economic prosperity

- Cumulative Total:** **\$14.3B = \$568M** (Income Tax Paid), **\$74.4M** (Charitable Contributions), **\$8.7B** (Diverse Supplier Spend), **\$5B** (Small Business)
- Total # Employees** ~**182,789**
- Volunteer Hours** **1.7M** hours (since 2005)

Increase access to mobility

- Mobility:** **4.2M** Retail Sales Globally

* Defined as the weighted average ratio of average female salaries to average male salaries within peer groups^ worldwide, is 98.0%.

** Defined as the weighted average ratio of average minority salaries to average non-minority salaries within peer groups^ in the U.S.

^ Although our analyses show no indications of systemic pay bias, we will continually monitor our entire compensation structure to ensure that all employees are paid appropriately. A peer group consists of employees in the same region, salary grade and skill team, when available.

actions and interviews with social impact experts, the team identified additional metrics that help quantify the four core pillars across different industries. We can use all of these metrics in a consistent manner across industries to identify areas of progress and areas where additional improvement is required.

The Social Impact Model also provides a framework to compare performance across companies and industries. While social impact can be unique across industries, the framework allows for tailoring of the model for unique outcomes and metrics to measure progress. When we

collaborated with Hewlett Packard Enterprise (HPE) to test the application of the model, HPE confirmed that by adopting and adapting the model, it can develop a social impact strategy for the company and metrics to measure progress.

This is the first year that Ford is reporting on its full set of social impact metrics.

→ [Read more in our ESG Data Book](#)

Our Approach to Human Rights – continued



At the company level, the Speaking Up and Preventing Retaliation section of our Ford Code of Conduct outlines how employees, suppliers, and other stakeholders can report a formal complaint.

Our compliance program encourages and facilitates the reporting of known or potential violations of the law or of our Corporate Policies. Individuals can report such violations anonymously to the General Auditors' Office, People Matters, or the Office of the General Counsel using telephone hotlines, through websites, such as SpeakUp, or by email. External stakeholders may report by emailing SpeakUp@ford.com. A cross-functional committee ensures that all reports are reviewed and addressed, and corrective or disciplinary action is taken where appropriate. We provide appropriate remedies when non-compliance occurs. There is an established governance system to review harassment and discrimination findings at all levels of the organization, up to and including the Board of Directors, as necessary.

We keep information related to reports confidential, sharing it only as needed to carry out an investigation by designated individuals.

Our Corporate Policies prohibit retaliation against anyone who in good faith reports a violation. Through these policies we do not:

- Bring retaliatory suits against persons or organizations who have brought or tried to bring a case against us involving credible allegation of adverse human rights impacts, or against the lawyers representing them (including retaliatory civil litigation, such as defamation, filing criminal complaints, or any similar actions against claimants or their lawyers).
- Engage in violent acts or threats to the livelihoods, careers, or reputation of claimants or their lawyers.

Our Approach to Human Rights – continued

As part of Ford's U.S. collective bargaining agreement with the United Auto Workers, covered U.S. hourly workers have access to a comprehensive grievance procedure. Through this procedure, covered employees can bring workplace concerns, including concerns about harassment and discrimination, to Ford's attention through the filing of a grievance by their union. Once filed, the grievance proceeds through a multi-stage process, which may culminate in a hearing and decision by a neutral arbitrator who has the power to grant the employee remedies such as reinstatement or back pay.

In our GFA, Ford acknowledges the rights of its employees to raise concerns. Any worker who, acting individually or jointly with other workers, considers that they have grounds for concern has the right to raise such concern without suffering any prejudice whatsoever as a result, and to have such concern examined pursuant to an appropriate procedure.

All this information is communicated regularly to our workforce. Our new Supplier Code of Conduct also provides information on how suppliers can report suspected wrongdoing and concerns by emailing SpeakUp@ford.com.

Grievance Mechanisms: What Happens After You Make a Report?

1
You make a credible report.

2
Your report is logged in the system.

3
Your report is routed to the appropriate internal resource.

4
We develop an investigation plan.

5
The investigation proceeds.

6
The allegations are verified or found to be without merit.

7
The appropriate action is taken.

You may choose to report anonymously, where applicable laws allow, but it helps the investigation if you provide your name and/or contact information.

Compliance Office

People Matters

Office of the General Counsel

Corporate Security

Others as Appropriate

It's your responsibility to participate fully in an investigation if you are asked.

Determine if any process or program enhancements are needed.

Determine if policies or procedures need alteration.

Determine if discipline is needed.

Other actions as appropriate.

For confidentiality reasons, we may or may not be able to make you aware of the outcome of an investigation or any actions taken.

We do not tolerate retaliation in any form against someone who makes a good faith report or participates in an investigation

Our Approach to Human Rights – continued

Engagement and Collaboration

We regularly engage with our employees, stakeholders, and the communities in which we operate to better understand and respond to our most salient human rights issues. This year, we also engaged select internal and external stakeholders in our 2022 human rights saliency assessment.

We held employee listening sessions to understand the concerns of our people. For example, the “Dare to Care in the Living Room” series has brought insight and built empathy across multiple topics including the violence against Asian Americans and the experience of being women of color.

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

We believe that sector-wide forums are also vital for providing a common voice and driving change within our industry. Throughout the year, we have engaged in industry collaborations with our stakeholders to combat human rights issues, including:

- NGOs and human rights experts
- Investors, including 1:1 meetings, fireside chats, conferences, and our ESG roadshow
- Member-driven organizations such as Ceres, the Corporate Eco Forum, Sustainable Brands, the Automotive Industry Action Group (AIAG), the Automotive Cybersecurity Industry Consortium (ACIC), Alliance For Automotive Innovation, the Responsible Business Alliance (RBA), the RBA’s Responsible Labor Initiative (RLI), Drive Sustainability, and Suppliers Partnership for the Environment
- Responsible material sourcing member organizations such as the Initiative for Responsible Mining Assurance (IRMA), The Copper Mark, RBA’s Responsible Mining Initiative (RMI), and the Public-Private Alliance for Responsible Minerals Trade (PPA)
- Regulatory and government agencies

Representing a range of constituencies and expertise, including investors, academia, SMEs, and suppliers, the Ceres Stakeholder Committee convened on February 28, 2022. Ford’s responses to their recommendations are summarized in the [Integrated Sustainability and Financial Report](#).

Collaboration is an important part of our Human Rights strategy. Ford is leading and working within cross-industry organizations on increasing transparency and responsible production and sourcing best practices. We participate in several multi-stakeholder groups focused on carbon neutrality, social impact, product safety, labor issues, conflict minerals, and other materials.

We also collaborated extensively with Sustainable Brands and Corporate Eco Forum to identify opportunities to share Ford’s Social Impact Model and worked with industry to validate the definitions and metrics.

Human Rights in our Supply Chain

Our Approach

Our work to address our salient human rights issues extends throughout our entire supply chain. Given the size and complexity of our supply chain, we use an annual risk assessment process to prioritize supplier sites with a higher risk for substandard working conditions based on their location, the type of parts they supply to Ford, or specific issues identified at a site. In terms of raw material sourcing, we identify and prioritize human rights risks based on the governance in place in raw material countries of origin and the vulnerability to child or forced labor through raw material extraction, harvesting, or processing.



CASE STUDY

The Ford Fund

The Ford Fund serves as our “boots on the ground,” investing millions in communities around the globe to help them with everything from the coronavirus pandemic to women’s rights. Based on nominations from Ford employees globally. Ford Fund also awarded \$700,000 in grants to 149 community organizations in 34 countries to advance humanitarian missions.

And in 2021, the Ford Fund launched the Ford Driving Dreams Scholarship program in Argentina. This social impact initiative focuses on helping young people graduate on time and continue their higher education.

In collaboration with Fundación Cimientos, the Ford Driving Dreams program will deliver tutoring, educational resources, and motivational activities to 85 participants between 16 and 18 years old, who are enrolled in the last three years of high school, in order to avoid school desertion and to motivate them to continue with higher education.

“Ford’s purpose is to build a better world, in which each person is free to move and pursue their dreams,” says Martín Galdeano, president of Ford Argentina, adding: “There is no tool more powerful to pursue our dreams than education.”

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



\$700,000

in grants awarded to 149 community organizations
based on employee nominations

34

countries
covered by Ford
Fund employee
nominated grants

1.7m

employee volunteer
hours since 2005

Our Approach to Human Rights – continued

Governance and Accountability

Ford's commitment to human rights extends to our business partners and supply chain. Having transparency and accountability apply to our supply chain is integral to responsibly sourcing our products.

The Vice President Global Commodity Purchasing & Supplier Technical Assistance is responsible for interpreting and implementing the Supplier Code of Conduct and reviewing with, as appropriate, the Vice President Product Development and Purchasing, the Vice President Chief Sustainability, Environment and Safety Officer, and the General Counsel.

The Purchasing Supply Chain Sustainability team is responsible for day-to-day human rights, environment, and responsible material sourcing oversight and capacity building within our supply chain. They work with the global Purchasing organization, the Global Sustainability team, and the Office of the General Counsel.

Our commitment requires a robust approach to safeguarding against human rights abuses in our supply chain. This includes:

- Working with suppliers to align with Ford's Supplier Code of Conduct
- Analyzing the human rights risks associated with our supply base
- Auditing our supply base facilities that have a higher risk of substandard working conditions or other potential human rights risks
- Conducting training to build capacity, both with our suppliers and our employees, to improve supply chain working and environmental conditions
- Collaborating with others in multi-stakeholder initiatives and partnerships to develop tools and training supporting continual improvement throughout the global supply chain

We communicate our approach to human rights to our suppliers and other business partners through our Supplier Code of Conduct, which is posted on our website, along with our Corporate Human Rights Policy, and annual ESG reporting, which this year includes this stand-alone Human Rights Report for the first time.

Assessing Our Supply Chain

Tier 1 Supplier Sites:

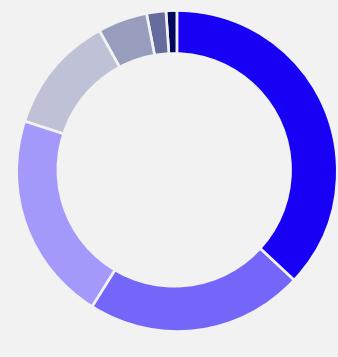
Our Supply Chain Sustainability team conducts an annual risk assessment of nearly all of our approximately 4,500 Tier 1 supplier sites around the world. In 2021, we utilized the U.S. Department of State's 2021 Trafficking In Person (TIP) Report and IHS Markit's ESG country risk report to re-examine our high-risk country list. Based on multiple risk factors including human rights and environment, Tier 1 supplier sites located in the following regions are considered at higher risk for sustainability issues: Americas, Asia, Europe, Middle East, and Africa.

In addition to location, we also utilize internal data to assess supplier site risk, including commodities produced at the site, our annual spend at the site, and training and audit history within Ford's Supply Chain Sustainability program. We also use our annual spend at a site to assess our ability to use leverage to mitigate any remaining impacts. We identify regions and operations that have the highest risk and prioritize actions based on these risks.

Our 2021 supplier risk assessment included data from suppliers representing over 85% of our production global spend. The risk assessment supports our audit selection processes and provides key insights into how we can improve our human rights program.

In addition, our Purchasing Supplier Technical Assistance (STA) representatives are trained to identify and report potential warning indicators for human rights violations in any supplier location around the world. As a result, when individual circumstances arise, we work with these suppliers to ensure that our expectations continue to be met.

Supplier Policy Gaps Identified in SAQ



- Supply Chain management 37%
- Business Ethics 22%
- Environment 21%
- Health & Safety 12%
- Working Conditions & Human Rights 5%
- Company Management 2%
- Responsible Sourcing of Raw Materials 1%

Sustainability SAQs:

To increase our visibility into site level risk, we conduct site-level supplier Sustainability Self-Assessment Questionnaires (SAQs). Developed and implemented through our membership with Drive Sustainability, the SAQ is aligned with the [Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain](#). The SAQ acts as an assessment tool that allows automotive suppliers to submit responses to multiple customers at one time. Suppliers answer questions and provide supporting policy documentation regarding company management, working conditions and human rights, health and safety, business ethics, environment, supplier management, and responsible sourcing. We use the SAQ to determine supplier policy gaps with our Supplier Code of Conduct.

Ford's Operations & Supply Chain

Operations	Production Suppliers	Indirect Suppliers
\$90 Billion global production spend	1200+ Tier 1 supplier companies	13,500 supplier companies
48 Ford-owned assembly and powertrain manufacturing sites*	50+ countries	700+ commodities
	4,500+ supplier sites	
	100,000+ parts manufactured	
	500+ commodities sourced	

*Does not include unconsolidated joint ventures

Responses and documentation are validated by a third party, NQC Ltd., and provide us with a greater understanding of the policies at our supplier sites. When supplier policies are not aligned with the requirements and expectations outlined in our Supplier Code of Conduct, we require the supplier to undertake corrective actions to demonstrate continuous improvements with a deadline for compliance. We also offer training resources through our RBA membership on topic areas relevant to the gaps in their policies and practices. Supplier willingness to comply informs our supplier selection process for social responsibility audits. Failure to correct issues identified in the SAQ may increase the risk of a supplier audit and may impact our ability to source a supplier for new business.

At the end of 2021, approximately 60% of supplier SAQs identified at least one gap with Ford's Supplier Code of Conduct. The top category for identified gaps was Supply Chain Management, which assesses the requirement that our suppliers cascade their policies to their own suppliers. This process is foundational to meeting the aspiration for Ford to responsibly source all raw materials used within our vehicles globally. In 2022, we will work with suppliers to ensure that all of these gaps, particularly those that are most common, are understood and that suppliers have the guidance to support corrective actions.

→ [Read more in our ESG Data Book](#)

Our Approach to Human Rights – continued

Auditing Our Supply Chain

Ensuring that our supply chain adheres to our Supplier Code of Conduct and respects human rights is a key priority for our supply chain team. We use RBA's Validated Audit Protocol (VAP), a third party audit, to assess our supply chain.

Due to the size and reach of our global supply base, which includes 4,500 Tier 1 supplier sites around the world, we focus our efforts on auditing suppliers that are deemed highest risk based on our annual risk assessment (see Assessing Our Supply Chain). Since we began our program in 2002, we have audited 1,227 supplier sites and conducted 1,676 follow-up assessments to ensure closure of all priority nonconformances. In 2021, we conducted 24 new audits using the RBA VAP methodology.

Between the initial audit and follow-up assessments, suppliers must correct all priority nonconformances, utilizing online RBA training courses and working with internal management to strengthen systems and processes to ensure improvement in these crucial business categories.

1,227
supplier sites audited since 2003

CASE STUDY →

Auditing our Supply Chain

We are committed to ensuring that our supply chain adheres to our Supplier Code of Conduct and respects human rights. That's where RBA's VAP comes in. We use this third-party audit to assess labor, health and safety, management systems, ethics and environmental issues in our supply chain.

In 2021, COVID-19 restrictions continued to impact our ability to conduct onsite supplier audits. Due to country and regional shutdowns and site-level safety measures, we had limited access to our planned supplier sites to conduct audits. To provide greater accessibility and flexibility with scheduling, we worked with the RBA in 2020 to develop a remote supplier audit process, including RBA external validation and certification. Although we had to postpone some of our audits scheduled in 2020, we were able to complete all of them plus 75% of our planned initial supplier audits in 2021. The remaining 25% of initial 2021 supplier audits are scheduled for completion in early 2022.

We conducted audits across a range of high-risk suppliers and helped them to improve working conditions at their plants. Ford audited suppliers representing a broad range of commodity groupings from all regions of the world that were identified using our risk assessment process.

Audit results are used to identify and prioritize needed improvements at the facility level. For identified supplier non-conformances, each supplier is expected to develop a Corrective Action Plan (CAP) detailing root causes, planned remediation actions to address identified areas of concern and measures to correct non-conformances, as well as timing for resolutions. Such plans are regularly reviewed with in-region Supply Chain Sustainability personnel to ensure compliance aligned with Ford's

expectations. We also review the overall status of supplier compliance with our commodity Purchasing teams.

For more serious priority non-conformances, we review and monitor immediate containment plans and longer-term CAPs. Follow-up audits are scheduled to assess the results of CAPs, following a timeline based on the priority of non-conformances reported.

In our 2021 audits:

- 92% of sites audited submitted a CAP approved by a third party
- 67% of audited sites required a follow-up audit, of which 31% completed a final closure audit so far
- There was a 77% score improvement among sites audited
- No supplier relationships were ended as a result of audit findings

Over time, the increase in average of scores for all follow-up and final closure audits demonstrates the significant improvements conducted by our highest risk suppliers. We are also seeing a trend of increasing initial audit scores, demonstrating an increase in supplier capacity in recent years.

The top three categories for supplier audit non-conformances, in 2021 were Management Systems, Labor, and Health & Safety. Specifically, the most frequent non-conformances from each of these three categories were:

- Supplier Responsibility: Supplier lacks the process to communicate and monitor compliance of their suppliers with the RBA Code of Conduct requirements.
- Working Hours: Supplier needs to establish adequate and effective policy, system and procedures to determine, communicate, record, manage, and control working hours, including overtime.

Supplier Audit Scores (Average)**Supplier Audit Non-conformances**

- Emergency Preparedness: Supplier requires systems so that potential emergency situations and events can be identified and assessed, and their impact minimized by implementing emergency plans and response procedures.

To remediate these issues, we continue to expand training and capacity building to equip suppliers with the knowledge, skills, and processes to protect employees' rights. We are working with auditees to submit CAPs and offer them training on how to address identified gaps and develop plans to integrate communication into their supplier processes.

Our Approach to Human Rights – continued

CASE STUDY →

Yazaki

In 2018, an RBA VAP audit initiated by Ford identified a number of opportunities for Yazaki to improve its performance at its manufacturing site, Yazaki-Torres Manufacturing, Inc., in Laguna, Philippines. The Yazaki-Torres management team responded to this audit and the following corrective action process as a challenge and chance to demonstrate their outstanding commitment to continuous improvement. They updated their sustainability management systems and operating procedures, graduating from meeting local regulation requirements to alignment with international and cross industry recognized standards.

As a result of two years of great efforts, including active employee participation and downstream supply chain coaching, they earned the top score possible in their follow-up audit. As a result of their efforts, Ford awarded Yazaki the 2021 World Excellence Award for Sustainability Supplier of the Year. This is just one example of successful collaboration between suppliers and Ford together to improve working and environmental conditions at global manufacturing sites.



YAZAKI-TORRES

Responsibly Sourced Raw Materials

Ford's aspiration to source only raw materials that are responsibly produced ensures that, in addition to environmental considerations, the human rights of people throughout our supply chain are protected and respected. We are working diligently to achieve this aspiration throughout the company.

We do not knowingly procure materials that contribute to child and forced labor, bribery and corruption, conflict or environmental concerns, and we commit to comply with local laws and respect indigenous populations' rights to water and land. This requires collaboration between stakeholders to identify risks, share best practices, agree on remedial actions, and monitor and report any action taken.

We recognize, however, that strict avoidance of a given mineral or mineral origin could have unintended consequences, including the loss of livelihood for a local population. Ford supports responsible sourcing from the CAHRAs.¹

Each year we review over 300 suppliers' conflict minerals policies for alignment with our expectations. When suppliers' policies indicate a ban on materials from the Covered Countries, we inform them of our expectation and the potential negative consequences of banning material from these countries. In 2020 we identified 18 suppliers whose policies were not aligned. In 2021, 7 of these suppliers responded with updated policy language establishing a more inclusive view on responsibly sourcing from the Covered Countries. Of the original 18, some suppliers are no longer sourcing to Ford. Meanwhile, we continue to annually review our suppliers' conflict mineral policies for alignment if their policies indicate a ban.

¹ Inclusive of Covered Countries

Transparency in Conflict Minerals

Ford continues to engage its supply base globally to address the human rights issues associated with sourcing conflict minerals.

To comply with the U.S. Conflict Minerals Rule disclosure to the Securities and Exchange Commission (SEC), suppliers whose components contain 3TG (tin, tantalum, tungsten & gold) must conduct due diligence to understand the origins of these minerals, source them responsibly, and not knowingly provide minerals that may contribute to conflict. We require suppliers to use the Due Diligence Guidance and the associated framework compiled by the Organisation for Economic Co-operation and Development (OECD) to assess the chain of custody of these minerals. In alignment with the OECD framework, Ford conducts outreach directly to smelters and refiners to engage in an independent third-party responsible mineral sourcing validation program.

Gold

As a Responsible Minerals Initiative (RMI) member, Ford is taking part in a collaborative project led by the Artisanal Gold Council to scale up legal trade in artisanal gold in Burkina Faso. Burkina Faso is the fourth largest industrial producer of gold in Africa, yet its artisanal miners are disconnected from international markets.



In partnership with the Artisanal Gold Council, RESOLVE, and RMI, through an EPRM grant, Ford committed to providing in-kind support for the Scalable Trade in Artisanal Gold (STAG) project. As an RMI member, Ford will

be supporting the creation of a progressive due diligence lab. The goal of the lab is to provide tools for artisanal gold miners in Burkina Faso to enable participation in formal markets, achieve economies of scale, and promote progressive due diligence along the supply chain.

Reported Smelter Conformance Rates

As of December 31, 2021 (by mineral)

Reported Conformant Smelters by Mineral	Conformant / Active	Not participating
Tin	66 (84%)	13 (16%)
Tungsten	46 (94%)	3 (6%)
Tantalum	36 (100%)	0 (0%)
Gold	113 (65%)	61 (35%)

Beyond Conflict Mineral Due Diligence

We seek to identify and prevent risks in our supply chain associated with raw materials beyond 3TG. To help our suppliers source materials ethically and responsibly, we use enhanced requirements in contracts, reporting requests, and transparent dialogue. These requirements allow us to identify risks and impacts in our supply chain and disclose any identified risks.

In 2020, Ford developed a process to prioritize materials commonly used in the automotive industry. We considered factors such as reputational risk, responsible sourcing reports, global risk metrics, procurement strategy, leverage, and vulnerability exposure. We prioritize materials to determine where we can best focus our efforts to identify, assess, and mitigate human rights and environmental risks within our most vulnerable raw materials supply chains.

→ CASE STUDY: Read more about EV Battery Raw Material Mapping and Auditing

Our Approach to Human Rights – continued

CASE STUDY →

EV Battery Raw Material Mapping and Auditing

The transition to electrification is increasing attention on supply chain mapping of electric vehicle (EV) batteries and potential human rights issues. For example, demand for cobalt is increasing, which is largely sourced from the Democratic Republic of Congo (DRC). Sourcing the minerals needed for EVs without contributing to forced and child labor is a significant challenge that we can only solve through collaboration with miners, smelters, and refiners.

In 2021, we initiated battery supply chain mapping to gain greater transparency about the sources of the cobalt, nickel, and lithium used in our EVs. Since March 2021, we have been working with RCS Global Group to deliver a multi-commodity responsible sourcing audit program covering these key battery metals. The collaboration with RCS Global – a recognized leader in data-driven ESG performance and auditing – is strengthening our responsible sourcing capacity and driving continual improvements in transparency and responsibility in our raw material supply chains.

Top ESG Risks Associated with EV Battery Materials (Co-Ni-Li)	Co	Ni	Li
E Overlap with areas of Conservation Importance	
E Potential of acid discharge	
E Potential harm from hazardous materials/chemicals	
E High CO ₂		.	
S Child & Forced Labor	..		
S Indigenous Peoples
G Areas of Corruption & Conflict	..	.	
G Areas of weak rule of law	..	.	

▪ High association with material .. Very high association with material



This project allows Ford better insight in risk assessment requirements for our future and helps us better understand how technology can improve due diligence, and identify opportunities for current and new suppliers. We are building our knowledge and working proactively with our suppliers and sub-suppliers to ensure responsible sourcing of materials.”

Sue Slaughter, Purchasing Director, Supply Chain and Sustainability



Our Approach to Human Rights – continued



“

Ford's EV strategy and battery material requirements will grow significantly within this decade. With these principals in place, this allows our team to narrow our focus on strategic and sustainable partners with strong growth plans and compatible ESG goals.”

Jack Mackey, Senior Purchasing Manager,
Battery Cells & Arrays

Internal collaboration to responsibly source EV batteries

As part of the battery chain mapping project, the Battery Materials Purchasing and Supply Chain Sustainability teams are collaborating to put ESG friendly sourcing criteria into how we prioritize our efforts on mining counterparties. With this process we ensure sustainably sourced and produced raw materials are at the forefront of our material security strategy. We openly share our aspirations with potential material producers and our desire for them to certify to the IRMA standards, disclose GHG emissions, and commit to traceability solutions such as blockchain technology to trace material units throughout the battery value chain.

The view from an ESG auditor: Embedding good practice at the mine and industry level

ESG audits play a critical role in delivering transparency and improving conditions in mining and raw material supply chains. And the process itself also helps educate and change attitudes, taking suppliers on a journey of continual and collaborative improvement. Ford has leveraged RCS Global Group's audit process to do just this while also gaining significant insights into the composition of its global supplier and sub-supplier ecosystem. Having successfully implemented the approach in cobalt, the company is now also applying it to drive better practices across other materials, such as nickel, lithium, and graphite. Our audits of the industrial cobalt mines used in Ford's supply chain have the OECD Due Diligence Guidance as their foundation but also cover additional ESG criteria including integrity, health and safety, social and environmental responsibility, and aspects that look at long-term positive legacies, particularly at the community

level. Where critical breaches are found or a supplier proves unwilling to invest in improvement, the supplier may be suspended or even removed from a supply chain. But more commonly, suppliers respond positively and invest to improve and evolve towards more responsible and sustainable practices through our Corrective Action Plans. There is some way to go for real change to be systematically embedded worldwide. But the Ford supply chain improvements are a positive and important building block towards fully responsible and sustainable mineral supply chains, which benefit people and planet.



“

Ford exemplifies the value of using the audit process to embed responsible ESG practice throughout its supply chain.”

Finny Tang, Audit Director,
RCS Global Group

Our Approach to Human Rights – continued

Initiative for Mining Assurance (IRMA) Member

We were proud to become the first U.S. automaker to join the Initiative for Responsible Mining Assurance (IRMA). IRMA works to advance responsible mining practices, providing third-party verification and certification against comprehensive environmental and social criteria for all mined materials.

Our IRMA membership expands our commitment to safeguard human rights, communities where such work is done, and the broader environment. It is another step towards our human rights aspiration to responsibly source all raw materials used within vehicles globally – a journey Ford has been on for over 20 years.

**Cobalt**

In 2021, we introduced a 100% response rate requirement from all in-scope suppliers for our cobalt due diligence program. Like our approach to 3TG smelter engagement, we conducted cobalt refiner outreach to encourage participation in Responsible Minerals Assurance Program (RMAP). We also underwent an assessment of our cobalt due diligence management system for conformance with the requirements of the OECD guidance. We continue to demonstrate improvements compared to assessments performed in years prior.

Mica

Mica mining and processing has been associated with child labor and human rights risks in developing nations. To better identify, assess, and mitigate these risks, we formalized our mica due diligence program and achieved an 82% response rate in 2021. Through our participation in RMI's mica working group, we are exploring cross-

industry collaborations to enhance mica supply chain risk identification and mitigation.

Rubber

We promote the sustainable sourcing of natural rubber through third-party research and multi-stakeholder initiatives. We continue to assess the participation in memberships as we move towards our aspirational goals. In 2021 Ford participated in Global Platform for Sustainable Natural Rubber (GPSNR) to improve socioeconomic and environmental performance in the supply chain.

Copper

To demonstrate our commitment to responsibly sourced copper, we have partnered with The Copper Mark and joined their Advisory Council. Ford requested its key suppliers to map their copper supply chain, engage with copper producers (mines, refiners, fabricators) to understand their commitment to responsible production, and request that sub-suppliers source from copper producers who have or are committed to completing The Copper Mark Assessment.

Battery Raw Materials Including Cobalt, Lithium, and Nickel

In 2021, we began mapping and auditing our EV battery material supply chains. The program will strengthen our responsible sourcing capacity, allow for better risk assessments, and drive continual improvements in transparency, and responsibility in our cobalt, lithium, and nickel supply chains.

→ [Read more about battery raw materials mapping and auditing on p.19](#)

Aluminum, Palladium, Rare Earth Elements, and Steel

In 2021, in order to better identify sources and assess ESG performance of suppliers who use significant amounts of steel, aluminum, palladium, and rare earth elements, we requested suppliers to identify processors and mines, complete the RMI Risk Readiness Assessment, and commit to engaging with IRMA in 2022. We will continue to follow up and engage suppliers to complete requests.

Reporting Grievances in Ford's Mineral Supply Chains

Ford directs its suppliers and other external stakeholders to the RMI Mineral Grievance Platform (MGP) to submit grievances related to mineral supply chains. The RMI MGP is a public platform that screens and addresses grievances linked to smelters and refiners of numerous minerals. The MGP allows us to assess smelters and refiners that have pending allegations, and to understand if risks identified with third-party validated smelters and refiners are properly resolved.

We post information on [Responsible Material Sourcing](#) topics on our corporate website, including a portal to file grievances on mineral supply chains.

Multi-Stakeholder Action on Human Rights and Responsible Sourcing

To develop best practices and maximize our efforts, we work together with various stakeholders. From 2018-2021 we collaborated with LGES, IBM, and RCS on the creation of a blockchain tool to enable transparency and responsible sourcing performance throughout the cobalt mineral supply chain.

In 2021, we also worked with key aluminum suppliers to conduct due diligence to address mining concerns of bauxite. We raised these issues with RMI and IRMA to better understand actions the industry can take to address mining concerns.



CASE STUDY

ArcelorMittal

Ford steel supplier ArcelorMittal won a Supplier Sustainability Award at Ford's World Excellence Awards for ensuring responsible sourcing for steel. The award recognizes companies that exceed expectations and achieve the highest levels of excellence in quality, cost, performance, and delivery.

As a multinational steel manufacturing and mining company, ArcelorMittal engages in global operations that have a significant impact on communities, human rights, and the environment. In an effort to certify the social and environmental performance of the company's mine sites globally, ArcelorMittal has joined IRMA as a steering committee member. It has also publicly disclosed its intention to implement responsible mining throughout its mine sites after assessing operations in Liberia and Brazil.

"We are honored to be recognized with a Supplier Sustainability Award for our supply chain efforts. Our company has long been an innovation leader in automotive steels and co-engineering with our OEM partners," said ArcelorMittal CEO John Brett. "Now, ArcelorMittal is taking the lead in decarbonizing the steel industry. With our commitment to IRMA we are ensuring responsible sourcing for our steels and we are beyond pleased to be recognized for our efforts by Ford, one of our most valued customers."

As an IRMA member, Ford is also committed to sourcing only materials that have been responsibly produced. Sustainability leadership from companies like ArcelorMittal helps ensure we stay on track to achieve this important target.



Our Approach to Human Rights – continued

To amplify our efforts and encourage collaboration, we play a leadership role in several multi-stakeholder groups and industry forums looking into human rights, conflict minerals, and the sourcing of other materials. These include:

- **Automotive Industry Action Group (AIAG)**: Member of the Board of Directors and co-chair of the Objectives & Compensation Committee, member of the Corporate Responsibility Steering Committee, chair of the Smelter Engagement Team (SET), participating in the following work groups: Guiding Principles, Environmental Sustainability, Forced Labor & Human Rights, CTPAT Training & Awareness, Responsible Materials, and Global Requirements & Minerals Sensing.
- **Drive Sustainability**: Participating in the following work groups: Training, Carbon Neutrality, SAQ, Guiding Principles.
- **German Association of the Automotive Industry (VDA)**: Vice-Chair of the Responsible Supply Chain Initiative, participating in the following work groups: Carbon Neutrality, EU Due Diligence.
- **Global Platform for Sustainable Natural Rubber (GPSNR)**: Participating member of the forum.
- **Initiative for Responsible Mining Assurance (IRMA)**: First U.S. automaker to join, participating in the Buyers work group.



- **Public-Private Alliance for Responsible Minerals Trade (PPA)**: Participating in the Projects and Resources work group.
- **Responsible Business Alliance (RBA)**: Serving on the Board of Directors and the Validated Audit Protocol (VAP) council; participating in the following work groups: VAP, Indirect Sourcing, VAP Counsel.
- **Responsible Labor Initiative (RLI)**: Participating in the Forced Labor Fees work group.
- **Responsible Mining Initiative (RMI)**: Steering Committee member, lead for the Global Gold Smelter Engagement Team, participating in many other work groups.
- **Suppliers Partnership for the Environment**: Participating in the Energy/Carbon work group.
- **The Copper Mark**: Advisory Council member, participating in the Transparency work group.

Training to build Ford Purchasing capacity

In 2021, we expanded internal training for our purchasing employees to include human rights and working conditions, greenhouse gas emissions, and responsible material sourcing. We conducted live online trainings for nearly 700 global participants including all commodity buyer groups, executive management, and new employees entering the purchasing organization. We also launched our first internal online training course, “Introduction to Supply Chain Sustainability,” available to all of our global employees. In our first year, 99 employees completed the course.

Our Supply Chain Sustainability and Supplier Diversity & Inclusion teams hosted our annual Driving A Better Tomorrow (DABT) event, focusing this year on eliminating child labor. We had 846 global purchasing employees, including executive management, attend the live presentation. A link to the webcast was also made available to employees after the event.



Image: Marcos Madrid, Plant Manager at Cuautitlan Stamping and Assembly Plant and former student of Ford Schools Programs in Mexico, speaking about the program at DABT event.

Additionally, we launched a new cross functional team, the Responsible Materials Council (RMC), to build capacity among Ford skill teams to educate suppliers, advocate for transparency, and influence ESG considerations in sourcing and designing decisions. Purchasing RMC members also participate in external responsible sourcing work groups.

The RMC's objectives are to:

- Inform about material use risks and opportunities in ESG areas;
- Integrate ESG considerations into raw material selection and usage, part design, and sourcing decisions; and
- Implement sustainable material selections into the design and purpose of our vehicles.

Training to Build Supplier Capacity

Through our memberships with the RBA and Drive Sustainability, we provide e-learning modules to our global suppliers that include the following topics:

- Child labor/young workers
- Wages and benefits
- Working hours
- Forced labor
- Freedom of association
- Health and safety
- Harassment
- Non-discrimination
- Business ethics
- Environmental responsibility

Our Approach to Human Rights – continued

Although we have been unable to conduct in person training with our global suppliers since the start of COVID-19, we were able to achieve the following supplier trainings and engagements:

- Direct engagement with 6 of our top 10 suppliers to review Ford's new Supplier Code of Conduct and sustainability reporting requirements, with nearly 100 attendees from both Ford Purchasing and supplier sales and sustainability teams. The remaining 4 top suppliers will be invited to participate in similar meetings in early 2022.
- Ford offered RBA training module on Due Diligence on Recruitment Fees to suppliers located in countries at higher risk for forced labor, with nearly 150 suppliers completing the course.
- Ford developed and led 6 live webinars on responsible 3TG, cobalt, and mica due diligence materials and reporting, with nearly 100 of our suppliers in attendance.
- Ford offered RMI eLearning Academy training on Responsible Mineral Sourcing, including specific modules on gold and cobalt, to suppliers starting in 2020, with nearly 200 suppliers completing the courses.
- 4 live webinar sessions covering country-level topics in India and Argentina conducted with Ford's support by Drive Sustainability.
- New eLearning module on Supply Chain Sustainability launched with Ford's support by Drive Sustainability.

In addition to industry trainings, Ford's Supply Chain Sustainability team delivered presentations to the following external stakeholder groups:

- CESCO-Copper Mark Roundtable on Climate Change
- Original Equipment Suppliers Association (OESA) CEO Council and Environmental Health, Safety & Sustainability (EHS&S) Council
- The United States Environmental Protection Agency (EPA) Automotive Affiliate Group

Progress made in 2021

Released

our Supplier Code of Conduct, Ford's first publicly available list of requirements and expectations of our supply chain. It is available on our website in the 8 languages most used by our supply base.

Expanded

our SAQ process, including feedback to suppliers and requirements for compliance with our Supplier Code of Conduct.

Initiated

the process to include sustainability metrics in Ford's sourcing decisions.

Achieved
100%

of in-scope supplier response rate for conflict minerals reporting for the 8th consecutive year

- A Continuing Legal Education course on Forced Labor hosted by Case Western Reserve University
- Several partner sessions at the OECD annual conference

These speaking opportunities have helped Ford share learnings, promote supply chain sustainability, and mobilize partners to take action.

Additional detail on human rights in our value chain can be found in the salient human rights issues sections in this report.

Looking Ahead

In 2022, we will launch the inclusion of sustainability metrics into Ford's global Purchasing sourcing process.

We will continue to scale up our Sustainability SAQ program to support our goal to achieve 100% of global production spend with suppliers who have policies aligned with our Supplier Code of Conduct. We will also utilize these metrics to determine areas which may



require further attention in addition to measuring progress over time.

We are also planning to review historical audit data to look for progress over time, areas that need greater attention, and any trends we can identify, both positive and negative, to inform our next year's training, policy development, and strategy.

We plan to continue improving our conflict minerals program in the following ways:

- Maintaining a 100% response rate from in-scope suppliers for annual reporting
- Requiring smelters to be audited by and conformant to independent validation programs such as the Responsible Minerals Assurance Process (RMAP)
- Increasing the percentage of suppliers providing smelter lists
- Continuing outreach to non-participating smelters and refiners
- Improving suppliers' due diligence through continued training and engagement
- Submitting information on our conflict minerals due diligence in accordance with the European Commission conflict minerals regulation

Human Rights Saliency Assessment

Companies are increasingly expected to be transparent and accountable about their efforts to tackle human right issues that may arise in their own operations and across their value chain. In 2015 the UN Guiding Principles Reporting Framework was launched.

Over the past four years, Ford has conducted two saliency assessments in line with the UNGPRF to identify and prioritize salient human rights issues that apply throughout its business and value chain.

The saliency assessment helps to identify which human rights are considered at risk of the “most severe negative impact” through the company’s activities and business relationships, and any emerging issues that ought to be monitored closely.

Most severe: meaning those impacts that would be greatest in terms of:

- their scale: the gravity of the impact on the human right(s); and/or
- their scope: the number of individuals that are or could be affected; and/or
- their remediability: the ease with which those impacted could be restored to their prior enjoyment of the right(s).

Potential: meaning those impacts that have some likelihood of occurring in the future, recognizing that these are often, though not limited to, those impacts that have occurred in the past.

Negative: placing the focus on the avoidance of harm to human rights rather than unrelated initiatives to support or promote human rights.

Impacts on human rights: placing the focus on risk to people, rather than on risk to the business.

Saliency Assessment Process

Our 2018 reporting year was the first year we conducted a formal assessment process that identified the human rights issues that are most salient to Ford. In 2020 we conducted a second saliency assessment to ensure our focus areas and action plans respond to our areas of greatest impact. The 2020 assessment built on our findings from 2018 and more closely analyzed vulnerable populations.

In early 2022, we worked with an outside consultant to review and update the 2020 assessment to ensure the salient human rights issues were still valid based on the recent trends and issues.

Determining saliency

1

2

3

4

Identification

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

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

Prioritization

Prioritize potential negative impacts:

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

Validation

Engage with internal and external stakeholders to:

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

Reporting

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

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

Engagement mechanisms include:

- Pre-interview questionnaire
- Interviews with internal and external subject matter experts

- Survey for Ford employees and dealers
- Validation workshop with subject matter experts

Human Rights Saliency Assessment – continued



The 2022 saliency assessment entailed four work streams:

Identification:

We began with desk research to identify the full range of human rights that could potentially be negatively impacted by Ford's activities or through business relationships. This step included research to identify how Ford's peers address human rights issues and NGOs views on the most salient human rights issues in the automotive industry and beyond. We reviewed the lists of Ford's salient issues from the past few years to assess whether they were still a priority. We also engaged with Ford's key stakeholders and gathered their views on which human rights issues may be at risk of the most severe negative impact.

Interviews were conducted with over 30 subject matter experts (SMEs) at Ford, two suppliers, two NGOs, and labor union and business experts from two multi-stakeholder organizations to understand their points of view on what salient human rights issues they encounter in their line of work and the processes in place to mitigate these risks. A pre-interview questionnaire was sent to collect data, which helped to prioritize the human rights issues. A more detailed survey was sent to a wider group of Ford employees and dealers to gather their views on the issues.

Prioritization:

An analysis of the findings of the interviews and survey was then carried out to help prioritize human rights issues according to their potential negative impact and chance of occurrence. The analysis also helped to identify vulnerable populations and areas of focus.

These human rights issues have been prioritized based on Ford's value chain to identify where they are most likely to arise and pose the highest risk.

Validation:

We conducted an internal workshop with internal and external SMEs to explore the key findings of the assessment, validate the findings, and check whether any considerations have been missed. The validated list of salient human rights issues forms the basis of this report. The Sustainability, Innovation and Policy Committee also reviewed the salient issues via their approval of Ford's Modern Slavery Statement.

Reporting:

To share more about our salient issues identified and the actions we are taking to address them, we issued this stand-alone Human Rights Report, the first for Ford – and the first in the automotive industry.

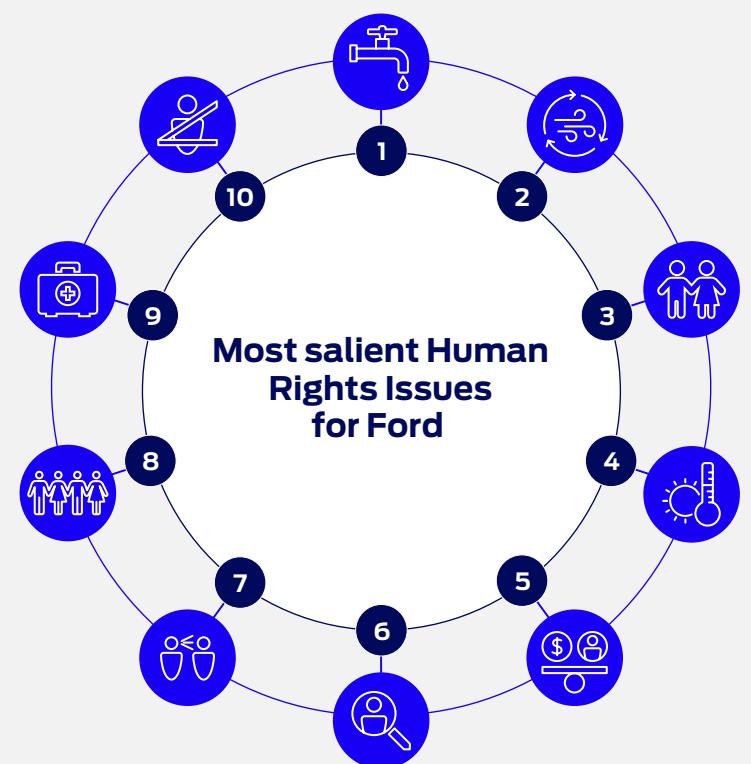
It is important to note that we also discuss our salient issues and how they evolve with stakeholder groups. For example, in the past year we engaged with Ceres, RBA, RMI, RLI, Copper Mark, AIAG, and the GISF, as well as with investors and NGOs, to keep them informed on emerging human rights issues. We also joined IRMA to ensure our salient human rights are evolving with the changing sourcing landscape.



Salient Issues Overview

Human Rights saliency assessment

Our Human Rights saliency assessment conducted in early 2022 identified the 10 salient human rights issues that apply throughout our business, our supply chain and other business partners in our value chain. These are listed below in alphabetical order:



Issue	UN SDGs ^{††}
1. Access to water and sanitation	6 12
2. Air quality	3 11
3. Child labor	8
4. Climate change	6 7 8 9 11 12 13
5. Equal and fair wages	5 8 10
6. Forced labor and ethical recruitment	8
7. Harassment and discrimination	5 10
8. Human trafficking	5 8
9. Occupational health, safety and wellbeing	3 8 11
10. Product safety and quality	3

The saliency assessment is the process Ford uses to identify and prioritize Ford's key risks associated with human rights, and areas where Ford can make an impact. We continue to evolve how issues are related to human rights at Ford and the impact that we can have on the issues. New issues are added, and others are removed based on the risk to Ford as determined through discussions within internal and external experts and key stakeholders. The main differences from the previous assessment are:

- We have expanded the definition of Climate Change to include climate justice and Just Transition, as these are important factors to consider in the shift to carbon neutrality.
- Equal and Fair Wages was identified as a salient human right in our current assessment, as one of the core root causes of other salient human rights issues.
- Health, Safety, and Security have been redefined as Occupational Health, Safety, and Wellbeing to reflect the current focus on workplace safety and mental health.
- Data privacy has been removed. Ford continues to address data privacy as highlighted in our [Integrated Sustainability and Financial Report 2022](#). In this fast-changing world, the nuances of salient human rights are not static. With this in mind, we have reviewed the definitions of all the salient issues and have updated the definitions to reflect latest trends and developments, as well as the scope of what the issues encompass.

Emerging Issues

From the saliency assessment, we have also identified two emerging human rights issues that we will monitor closely in order to understand the associated risks and challenges, and be prepared to address them.

Living Wage

Separate from equal and fair wages, a living wage, recognized by the UN as a human right, is a wage that is sufficient to afford a decent standard of living for a worker and their family. Although there is no universally accepted amount that defines a living wage, it can be described as a socially acceptable level of income from full-time work that provides enough for basic necessities such as food, water, shelter, education, and health care. Although many countries have set legal minimum wages, these often remain unchanged for years while the cost of living rises, hence minimum wage rates often bear no relation to the cost of living. It is important to recognize a shared responsibility between governments and businesses to respect human rights, including paying a living wage.

Use of Artificial Intelligence (AI)

AI will be used in autonomous vehicles and is commonly applied to vehicle maintenance, supply chain, and marketing. Concerns about the development of AI extend beyond issues of privacy and data rights into freedom of choice, freedom of conscience, and the bias and discrimination that may arise from the input data or the algorithms themselves. On the ethics of AI, the UN is advocating the guiding principle that AI is not to become autonomous or replace human rights but developed with an approach that centers on human rights. Cooperation and partnership between rights experts and developers is needed in order to build ethical and human rights centered AI.

Salient Issues Overview – continued

Interconnected Issues

We live in a complex and interconnected world, and many of the human rights issues we have to address are also complex and interconnected. For example, Climate Change is not just about environmental sustainability, but considering a Just Transition that provides decent work and social inclusion; and Fair and Equal Wages are closely linked to Forced Labor and Ethical Recruitment. Many of the issues related to Violence and Oppression are also found in harassment, forced labor, and child labor. There is also a relationship between Forced Labor and Human Trafficking. We explore some of these relationships in more detail in the individual reports on salient issues below.

Specific Geographies

For Ford's own corporate facilities and locations, we take a global approach to reviewing and managing our salient human rights issues. Our 2022 saliency assessment continued to focus on potential higher-risk areas within Ford's operations and along our value chain where populations are particularly vulnerable.

These include potential human rights risks associated with Ford global locations and operations in some regions such as the Americas, Africa, and Asia.

Our saliency assessment also highlighted impacts in our value chain specifically in manufacturing and raw material extraction in Africa, Europe, South America, Asia, and conflict affected and high-risk areas (CAHRAs), as well as arid and flood-prone regions. The assessment also noted potential new and additional suppliers may be used for the transition to electrification.

[→ Read more on our value chain map on p.8](#)

Specific Policies

As noted earlier, in 2021, we instituted a significant review and update of our Corporate Policies, many that address our salient human rights issues, including our [Corporate Human Rights Policy](#) and our new [Supplier Code of Conduct](#).

Our reformatted and simplified Ford Code of Conduct covers human rights and our commitment to acting as a good corporate citizen. In addition, the Code of Conduct references specific internal policies related to Safety in Our Products and Services, Quality in our Products and Services, Safe and Healthy Working Environment, Anti-Harassment, Equal Opportunity, and Speaking Up and Preventing Retaliation.

[→ Read more in our GRI index](#)

Ongoing Review of Salient issues

Every two years we undertake a top-level review process of our salient issues to determine if any new issues have emerged during the reporting year.

These issues are reviewed by our Vice President, Chief Sustainability, Environment, and Safety Officer and are regularly reviewed by our Salient Human Rights Governance team (including representatives from Labor Affairs, Human Resources, the Environmental Quality Office, the Automotive Safety the Office and the Office of the General Counsel) to assess changes and actions to address salient issues. During years when we do not conduct a saliency assessment, we conduct a thorough materiality assessment.

In 2021, our Salient Human Rights Governance team, with oversight from our director of Global Sustainability & ESG, continued to manage and track our action plans to prevent, manage, and remediate salient human rights issues. This process helps us track the effectiveness of our due diligence systems and performance, and identify opportunities to further improve our efforts to address human rights, including those that affect how we source materials responsibly. We rely on our internal and external subject matter experts to assess specific human rights impacts and take appropriate action.

In addition, to address any tensions, we review our salient human rights issues within our cross-functional team to work together to resolve problems and find optimal solutions that respect human rights, using our Corporate Human Rights Policy as a guide.

We also discuss our salient issues and how they evolve with stakeholder groups and have joined IRMA to ensure our salient human rights are evolving with the changing sourcing landscape.



Access to Water and Sanitation

Sustainability Aspiration:



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

Salient Issue:

The human right to water entitles everyone to sufficient, safe, acceptable, physically accessible, and affordable water for personal and domestic (household) use. "Sanitation" is defined as a system for the collection, transport, treatment, disposal, or reuse of human excreta and associated hygiene. The human right to sanitation entitles everyone to sanitation services that are safe, socially and culturally acceptable, secure, hygienic, physically accessible, and affordable, and that provide privacy and ensure dignity.

UN SDGs



Why is it Important?

Water is vital to many aspects of our operations. Access to safe, clean water and adequate, accessible sanitation is also a salient human rights issue. We have a responsibility to use and manage water sources efficiently and sustainably, especially in water-stressed countries.

Our supply chain also has an impact on access to water and sanitation – notably in raw material extraction and parts manufacturing.

Our long-term approach reflects the need to understand water challenges in their local context, with extraction policies and practices designed to ensure that we don't impede surrounding communities' access to clean fresh drinking water.

Who is Impacted?

Vulnerable populations include mining communities and those who live near suppliers' raw material extraction operations. Those who live in water-stressed areas are also vulnerable.

Limited access to water and sanitation may become more widespread as the global population increases and the planet becomes even more resource constrained.

How is Ford Managing the Issue?

Our corporate human rights policy commits us to reducing freshwater usage and supporting safe and accessible drinking water in our manufacturing operations and communities. Our sustainability aspirations are to use freshwater for human consumption only and zero water withdrawals for manufacturing – to be achieved by installing non-water-based technologies and relying on alternative sources such as other companies' treated wastewater.

Our 2025 Global Manufacturing Water Strategy targets a 15 % reduction in absolute freshwater use. Ford has already reduced its annual freshwater consumption by

15%

reduction in absolute freshwater use as part of our 2025 Global Manufacturing Water Strategy target

78%

reduction in annual freshwater consumption since 2000

78% since 2000; that's over 12.5 billion gallons of water each year.

We manage water sources efficiently and sustainably, especially in water-stressed areas, and ensure our water-extraction policies and practices do not negatively impact access to water for other users.

Supply Chain

According to our [Supplier Code of Conduct](#), our suppliers, in alignment with the United Nations CEO Water Mandate, must reduce freshwater usage and support safe and accessible drinking water in their manufacturing operations and communities.

To build environmental capacity regarding sustainable water use and management, we collaborate with our suppliers through our Partnership for A Cleaner Environment (PACE) program. We have shared our own successful savings initiatives with nearly 80 key suppliers



through PACE. So far, our suppliers have implemented projects in at least 13 countries: United States, Argentina, Brazil, Canada, China, Czech Republic, Germany, India, Mexico, Poland, Serbia, South Africa, and Thailand. FastPACE, a streamlined version of PACE, is helping reduce the impact of key partners in China, India, Thailand, and South Africa. Supplier participation has increased from 2020 to 2021 by over 60%. As a result, PACE and FastPACE suppliers are on track to save an estimated 17.7 million gallons of water over the next three years.

Findings from Sustainability SAQs completed in 2021

Supplier policy gap identified	Percentage of suppliers indicated
Environmental policy does not cover water quality and consumption	12%

→ [Read more about how we address these findings and improve supplier compliance in our 'Our Approach to Human Rights' section on p.9](#)

Access to Water & Sanitation – continued

Mexico Water Recycling

Ford's Cuautitlán Stamping and Assembly Plant is located in a water-stressed area. Not only is the municipality impacted by water issues including floods, lack of water, and landslides, but there are many competing water users in the local ecosystem.

To help mitigate the problem, the facility replaced the asphalt and parking lots within the plant with ecological concrete, which allows rain to reenter the ground. This recharges the aquifer beneath the plant and helps prevent water scarcity in the city and in surrounding ecosystems and habitats. 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.

During 2021, Ford's Cuautitlán plant captured approximately 15 million liters of water and in times of rain, it was able to reduce its water consumption by up to 25%, which is equivalent to supplying drinking water to approximately 28 homes in this municipality for an entire year.



Engagement

As a U.S. Department of Energy “Better Buildings Better Plants Challenge” Partner, we continue to implement a range of best practices in our new facilities, from advanced water treatment and waste reduction systems to energy-saving technologies, continuing to minimize impacts on the environment.

Looking Ahead

We will continue to work towards our existing aspirational goals of freshwater for human consumption only and zero water withdrawals for manufacturing. This includes establishing local ecosystem performance goals and improving water discharge quality, with a focus on direct discharge plants. We are examining how water cycling

impacts communities and how to better emulate the natural system. Our new plant in Tennessee aspires to make zero freshwater withdrawals for assembly processes by incorporating water reuse and recycling systems.

→ [Read more about our water strategy in our Integrated Sustainability and Financial Report 2022](#)

Air Quality

Sustainability Aspiration:



Attain zero emissions from our vehicles and facilities.

Salient Issue:

The human right to clean air entitles everyone to not experience the potential negative effects of air pollution. It requires the sound management of non-greenhouse gas (GHG) air emissions from both vehicles and facilities.

UN SDGs



Why is it Important?

Along with climate change and renewable energy/energy future, air quality is one of Ford's most material issues. We understand that we have a role to play in improving air quality.

As we continue our transition to electrification, internal combustion engine (ICE) vehicles remain a significant part of our product portfolio and technology migration plan. ICE vehicles emit hydrocarbons, carbon monoxide, nitrogen oxides, and particulate matter during combustion. These pollutants can affect air quality, particularly in urban areas, and potentially impact human health. We are also mindful of the emissions from our manufacturing facilities that could impact air quality.

We are seeing a push to make air quality standards stricter. In 2021, the World Health Organization (WHO) updated its global air quality guidelines "in response to the real and continued threat of air pollution to public health." The new, more stringent guidelines cover six key pollutants including particulate matter, ozone, nitrogen dioxide, and sulfur dioxide. Regulators in several of our key markets have announced plans to ban internal combustion engine vehicles (ICE) or implement 100% zero emission vehicle (ZEV) sales targets to improve air quality.

Who is Impacted?

Both the WHO and the United Nations have identified air pollution as the greatest environmental threat to health.

Vulnerable groups include communities near highways and ports as the shipment of goods, from ship to truck to distribution tends to go through disadvantaged areas, heightening the impact of diesel emissions. Residents adjacent to auto infrastructure including manufacturing plants and facilities may also be impacted by negative air quality. Supply chain workers in raw material extraction, parts manufacturing, joint ventures and business partners, are also vulnerable.

How is Ford Managing the Issue?

Our Corporate Human Rights Policy, updated in 2021, calls on us to minimize negative environmental impacts while striving for positive impact. We are addressing air quality in our vehicles, our operations, and our financing. Through our research, vehicle development, and operations, we are working to reduce vehicle emissions of air pollutants, in accordance with increasingly stringent standards around the world.

ICE vehicles emit hydrocarbons, carbon monoxide, nitrogen oxides, and particulate matter. These pollutants can affect air quality, particularly in urban areas, and potentially impact human health. We are compliant with all stringent global criteria emission standards as they are introduced.

At the same time, we continue to develop our alternative fuels portfolio and have committed to working towards all sales of new cars and vans being zero emission globally by 2040, and by no later than 2035 in leading markets.

The enforcement of such standards has led to lower vehicle emissions and, along with actions in sectors beyond transportation (residential, commercial, and industrial), have led to major improvements in air quality in many cities in recent decades. In communities where air pollution and climate change are disproportionate burdens today, access to electric vehicles can help provide health, economic, and mobility benefits. Ford's electrification strategy not only reduces GHG emissions, but also improves local air quality. Electrification of vehicles will also eliminate vehicle criteria emissions.



Air Quality – continued



50%
of global sales all-electric vehicles by 2030

17%
reduction of VOC plant emissions intensity from 2020 to November 2021

The electrification of our iconic nameplates continues to progress as we bring electric vehicles to the mainstream market. The all-electric Mustang Mach-E was launched in North America and Europe in late 2020 and came to China in 2021. The all-electric F-150 Lightning will debut in 2022. When our new all-electric E-Transit Van debuts in 2022, it will help businesses achieve sustainability goals and help cities and industrial areas improve air quality. By 2030 we expect all-electric vehicles to make up 50% of our global sales.

On the manufacturing side, for example, we have significantly reduced emissions from Ford manufacturing facilities in China. From 2020 to 2021, plants reduced volatile organic compounds (VOC) emissions by 19% (3.7 g/m²), equivalent to an annual reduction of more than 250 metric tons of VOC emissions through various management and engineering investment measures, contributing to cleaner air.

We have linked ESG metrics to our \$15.5B credit revolvers and launched our first \$2.5B green bond. Net proceeds from sustainable financing will help fund our

clean transportation and clean manufacturing activities including manufacturing zero-emissions transportation, focusing on electric vehicles and the batteries that power them; and further reducing the environmental footprint of Ford's operations through renewable electricity, sustainable water and wastewater management, waste management, and the circular economy.

→ [Read more in the Air Quality section of the Integrated Report for more actions Ford is taking to reduce non-CO₂ emissions on p.50](#)

→ [Read more about our Sustainable Finance Framework in our Integrated Sustainability and Financial Report 2022](#)

Supply Chain

According to our [Supplier Code of Conduct](#), access to a healthy and clean environment is a basic human right, so our suppliers must be committed to preserving the environment. This includes achieving continual environmental improvement in manufacturing operations by reducing emissions, increasing energy efficiency, and utilizing renewable energy.

To build environmental capacity regarding the reduction of air emissions, we collaborate with our suppliers through our [Partnership for A Cleaner Environment \(PACE\)](#) program. We have shared best practice projects, including air emissions reductions, with nearly 80 key suppliers through PACE.

Findings from Sustainability SAQs completed in 2021

Supplier policy gap identified	Percentage of suppliers indicated
Environmental policy does not cover air quality	15%

→ [Read more in Our Approach to Human Rights on p.9](#)

Engagement

As we address the issue of air quality, we engage with governments and regulators on emissions compliance, especially as countries and states announce plans to ban ICE vehicles or implement 100% zero-emission vehicle sales targets to improve air quality.

Looking Ahead

We expect that as we transition to electrification, our impact on air quality will lessen. At the same time, our new plants in Kentucky and Tennessee are being designed to reduce emissions. We are also considering strategies to give us more visibility into the activities of our suppliers.

Child Labor

Sustainability Aspiration:



Source only raw materials that are responsibly produced.

Salient Issue:

Child labor relates to the prohibition of employment of individuals who are under the minimum working age of 15 or the legal limit in the working country (whichever is stricter), unless as part of a government-authorized job training or apprenticeship program that clearly benefits the participants. Young people admitted to work must have working conditions appropriate to their age and be protected against economic exploitation. Any work likely to harm their safety, health, physical, mental, moral or social development, or to interfere with their education will be restricted. Child labor also relates to inadequate systems and policies to prevent the use of underage workers, either directly or indirectly, through labor agencies and contractors.

UN SDGs

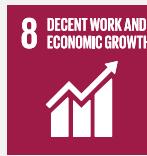


Image: Students at one of the 212 Ford Schools in Mexico. The Ford Schools Program highlighted the importance of education as shared during the Driving A Better Tomorrow event.

Why is it Important?

Our electrification strategy is a critical component of Ford's goal to achieve carbon neutrality globally no later than 2050. Increased demand for EV batteries also increases the reliance on mined raw materials that have been found to use child labor for extraction. Cobalt is a key component of EV batteries, and child labor has been associated with cobalt mining.¹

¹<https://data.unicef.org/resources/child-labour-2020-global-estimates-trends-and-the-road-forward/>

Who is impacted?

Children, working in supply chain sub-tiers particularly in impoverished families in low-income countries, are vulnerable. Child labor is often focused on the mining

industry, but it is also linked to family-owned rubber plantations.

How is Ford Managing the Issue?

Ford does not tolerate child labor in our operations or in our supply chain. Our Corporate Human Rights Policy, our Supplier Code of Conduct, and our Global Terms & Conditions all prohibit the use of child labor in any form.

Ford verifies that all employees meet the minimum working age in any region where it operates, and in no instance employs individuals below the age of 15, unless as part of a government-authorized job training or apprenticeship program that clearly benefits the participants. Ford verifies age using government-issued

identification or other mechanisms that are consistent with local legal requirements. Our human rights risk assessments includes child labor.

Our Supply Chain Sustainability and Supplier Diversity & Inclusion teams hosted our annual *Driving A Better Tomorrow* event, focusing this year on eliminating child labor. Representatives from Investor Advocates for Social Justice (IASJ), and the Oil and Mining Governance Center (OMGC) shared information about child labor risks and solutions in the supply chain. Presenters shared how Ford employees can play a role in eliminating child labor. Globally, 846 Ford Purchasing employees attended live, and a video recording of the event was provided to team members after the meeting.

→ [Read more about the UN Child Prevention Pledge on p.8](#)

Supply Chain

We safeguard against the threat of child labor by maintaining compliance with all legislative initiatives, acts, and regulations designed to increase transparency and promote due diligence. We require that our suppliers have codes of conduct aligned with our [Supplier Code of Conduct](#), which mandates that our suppliers do not use child labor in any form, and they conduct due diligence and increase transparency related to raw materials, including materials sourced from CAHRAs.

Ensuring that minerals sourced and utilized in our EVs are not contributing to child and forced labor or negatively impacting surrounding communities and the environment is a significant challenge that can only be addressed through transparency, robust due diligence systems, aligned policies and practices, and collaboration throughout the supply chain.

→ [Read more about our EV Battery Raw Material Mapping and Auditing exercise in 2021 on p.20](#)

Child Labor – continued



→ Empowering Women in the Copper and Cobalt Supply Chains

Demonstrating our commitment to the Action Pledge, Ford with its international nonprofit and grant making partners, is supporting a pilot program with Oil and Mining Governance Center (OMGC) to empower women working in the copper and cobalt supply chains in the Democratic Republic of Congo. The Promoting the Empowerment of Women in Copper and Cobalt Mineral Supply Chains program trains women in financial education, business management, mining innovation, and leadership, and formalizes women's Artisanal and Small Mine cooperatives for equal access to market opportunities. This

program will help minimize poverty of women in the cobalt supply chain and address one of the root causes of child labor.

"I'm proud of the actions Ford is taking to be a leader in human rights. Last year, we signed the ILO's Action Pledge for the UN Year of the Elimination of Child Labour. We publicly committed to updating our policies and due diligence practices internally and with our suppliers to eliminate child labor," said Rebecca Shelby, social sustainability manager. "Hearing about the impact we are making on women's lives through programs like this is one of the most rewarding experiences we can have."

We audit the suppliers that have been assessed as having the highest risk of human rights violations based on our annual risk assessment process. Our audits did not reveal any instances of child, forced, or involuntary labor over the past three years, although we found several suppliers' policies and procedures lacked the required robustness to ensure compliance.

Findings from supplier audits completed in 2021

Non-conformance category	% of non-conformance
Child Labor Avoidance Policies and Management Systems	0.09%

Findings from Sustainability SAQs completed in 2021

Supplier policy gap identified	Percentage of suppliers indicated
Inadequate policy regarding child labor and young workers	5%

→ [Read more about how we address our supplier audit/sustainability SAQ findings and improve supplier compliance in "Our Approach to Human Rights" section on p.9](#)

Engagement

We are working to address root causes of child labor by participating in multiple workgroups through RBA and its Responsible Labor Initiative (RLI) and Responsible Minerals Initiative (RMI), as well as the Automotive Industry Action Group (AIAG) work groups which focus on human rights with an emphasis on labor rights, including child labor. Ford's participation supports discussions around cross-industry audit protocol advancement, living wage, artisanal and small-scale mining, and definitions of recruitment fees. The AIAG Forced Labor Human Rights (FLHR) workgroup supports initiatives to help the automotive industry increase due diligence in the supply chain.

As the first major U.S. automaker to commit to the United Nations International Year for the Elimination of Child Labour Action Pledge, Ford is demonstrating leadership within the industry to eliminate child labor not just in our business, but also in our supply chain. In 2021, we participated in a few UN Global Compact events and the International Labour Organization (ILO) Child Labour Platform Annual Meeting to present our actions toward our commitment and learn more about the issues facing industry.

Looking Ahead

We continue to verify age requirements in our business operations and will continue to address child labor with our supply chain. We will also work with our industry and cross-industry workgroups to prevent child labor in our supply chain.

Climate Change

Sustainability Aspiration:



Achieve carbon neutrality by no later than 2050.

Salient Issue:

Climate change impacts include extreme weather events and natural disasters, rising sea levels, floods, heatwaves, drought, water scarcity, and the spread of disease. GHG emissions from vehicle use, direct and indirect operations, and logistics contribute to climate change. Climate change threatens the effective enjoyment of a range of human rights including those to life, water and sanitation, food, health, housing, self-determination, culture, and development.

An expectation of the Paris Agreement is to achieve a 'Just Transition' as we move towards a low-carbon economy. A just transition should address the human rights implications of the decarbonization and energy transformation, with attention on workers and communities that may need reskilling and upskilling of workers, job creation, and responsible sourcing. Customers should also be considered in the just transition, such as developing accessible and inclusive products (e.g., the availability and affordability of electric vehicles).

UN SDGs



Why is it Important?

Climate change generates impacts far beyond the environment, including restricted food supplies, reduction in potable water, mass migration, and, potentially, political upheaval, all of which hold severe human rights implications.

Rising sea levels, extreme weather, droughts, and water shortages are indicative of the urgency of the global situation. It will take a comprehensive effort to keep the global temperature rise this century well below 2°C.

We recognize the importance of climate justice as climate change can have differing social, economic, and other adverse impacts on underprivileged populations in particular. This is why we are considering a Just Transition – to accelerate our ability to reskill, upskill, and better develop our employees and people in the communities where we operate. For example, the skills component of the broader digital transformation that is reshaping work and companies exacerbates the education gap, especially in developing communities and countries. Lack of access to education will put these countries further behind.

Who is impacted?

The impacts of climate change are far-reaching. Those under 30 will likely bear the biggest brunt of climate change as temperatures and sea levels rise. Rising sea levels may prompt migration away from coastal areas and lead to overpopulation in other areas.

The impacts associated with climate change could affect the way we do business. Extreme weather events such as storms or floods can disrupt our production or component supplies, while droughts can affect our access to water for our operations, especially in water-scarce areas.

Our transition from ICE to EVs will have a significant impact on our employees, our customers, our supply chain, and our global communities. The transition to electric vehicles will change the jobs of many of our



employees and the workers in our supply chain. Different approaches, talents and, ultimately, organizations are required to unleash Ford's development and delivery of electric and digitally connected vehicles and services, and to fully capitalize on the company's iconic family of ICE vehicles.

Across our value chain we foresee climate change impacts in raw material extraction (particularly in forested areas); supply chain parts manufacturing and joint ventures. Just Transition will also have impacts across the value chain including raw material extraction, supply chain parts manufacturing, construction, engineering, joint ventures, dealers and services, and our customers.

How is Ford Managing the Issue?

Our Corporate Human Rights Policy commits us to do our part to minimize impact on climate change aligned with the Paris Agreement, striving towards carbon neutrality.

In 2020 Ford was the first full-line U.S. automaker to commit to achieving carbon neutrality no later than 2050, in line with the Paris Agreement and to stand with California for stronger vehicle greenhouse gas (GHG) standards. Meeting the challenge of climate change is a strategic priority for Ford. It's integral to our purpose of helping make a better world.

Climate Change – continued

At the COP26, the UN Climate Summit in November 2021, we signed the RouteZero pledge committing “to rapidly accelerating the transition to zero emission vehicles to achieve the goals of the Paris Agreement” and working “towards all sales of new cars and vans being zero emission globally by 2040, and by no later than 2035 in leading markets.” Pledge signatories also committed to “supporting a global, equitable, and Just Transition.”

Climate Change

To achieve our carbon neutrality goal, we are focusing on three areas that account for approximately 95% of our CO₂ emissions – our vehicles, our operations, and our suppliers. Our strategy to achieve carbon neutrality by 2050 is supported by:

- Electrifying our iconic vehicles beginning with the iconic Mustang Mach-E which launched in late 2020 and the E-Transit and F-150 Lightning which will be on the market in 2022.
- Investing in EV technology and charging infrastructure in North America and Europe.
- Investing in clean manufacturing to create the future of our industry.
- Working with our suppliers to reduce their emissions and develop science-based emissions reduction targets in line with the Paris Agreement.

In November 2021, we announced a \$2.5 billion green bond to help us achieve our carbon neutrality goal. Proceeds from the bond sales are aimed at initiatives to benefit the environment, including designing, developing, and manufacturing zero-emissions transportation solutions.

→ [Read more on Ford's actions to address climate change, see our Integrated Report and our standalone TCFD Report](#)

Climate Justice

Environmental justice and climate justice are receiving increasing attention as it becomes apparent that climate change is having a disproportionate effect on underserved communities and poorer countries, impacting access to food, water, clean air, and a safe place to live.

We believe that everyone should have access to safe, climate-friendly mobility; we are bringing our customers and workforce along on the path to electrification and carbon neutrality. We are democratizing electric vehicles beginning with our iconic nameplates: the Mustang Mach-E, the F-150 Lightning, and the E-Transit van. And, Ford is working to make electric vehicles more affordable by offering equitable and non-discriminatory financing for products that serve underserved borrowers.

We also are working with partners to expand North America’s largest public charging network.¹ At the same time, we’re working to make EV charging accessible in low income and disadvantaged communities, to make an electric lifestyle available for everyone, not just the elite. We’re also developing new mobility solutions. In Detroit, we are restoring Michigan Central to create a new mobility innovation district in Detroit’s oldest neighborhood and launch new urban transportation solutions.

Just Transition

Just Transition is an issue that we are addressing and evolving our strategy at Ford as we move towards electrification and carbon neutrality. Our work begins with our employees and extends to our supply chain and the communities in which we operate. And to transform America’s auto technician industry, we have made a \$525 million investment across the U.S. during the next five years. The investment will go toward job training

¹Based on original equipment manufacturers(OEM)/automotive manufacturers that sell all-electric vehicles and have active charging networks. Department of Energy data used.

and career readiness initiatives to develop highly skilled technicians that can support our growing portfolio of connected electric vehicles.

Our transformation is shaped and impacted by complex external societal, geopolitical, and environmental factors. Digital transformation is also reshaping how, where, and who works today. Digitization is disrupting business models across industries and new value streams are emerging, requiring new skills and learning approaches.

With these changes, Ford should consider accelerating our ability reskill, upskill, and better develop our employees and people in the communities we operate. We are introducing a new learning strategy to prepare Ford for today and into the future.

This strategy focuses on four key actions: 1) Socialize learning, enabling every employee to be a learner and a teacher, 2) Create skill-based academies to accelerate critical skill development, 3) Modernize our learning approaches, to reinforce lifelong learning, and enable people to learn anytime and anywhere, 4) Introduce tools that know when to nudge learners, track progress, and acknowledge their achievements.

The focus of this strategy is not just on Ford employees, we are extending our focus to include opportunities to upskill and reskill people in the communities in which we live, work, and serve. We also promote equitable, responsible sourcing by adding supplier diversity and inclusivity language into our Global Terms and Conditions (GT&Cs).

Through our philanthropic arm, the Ford Motor Company Fund (Ford Fund), we work with nonprofit organizations, community partners and across the global Ford network to provide access to resources and opportunities that build equity and help underserved and underrepresented communities reach their highest potential. Through numerous mentoring, entrepreneurship, and educational initiatives, we have helped hundreds of thousands of



CASE STUDY

Retraining ICE Engineers

Our Electrified Systems Engineering (ESE) team is transitioning traditional ICE engineers to electrified powertrain engineers through a unique training program that offers specific courses on electrification, as well as a training boot camp for new transfers to the department. The interest in learning about electrification extends beyond traditional electrification employees; participation in the courses is twice as large as the ESE department participants.

The program also pairs technical expert mentors with new EV engineers and provides a safety net created with peer review sign-off on systems. In this way, employees new to the technology are supported as they develop their work. “It takes a village to raise the program,” says Charles Poon, Director of ESE, noting that mentors, technical experts, and the engineering team support the new technology hires.



Climate Change – continued



Factory of Tomorrow

Manufacturing is identified as the industry most susceptible to automation with up to 20 million manufacturing jobs around the world potentially replaced by robots by 2030 according to analysis firm [Oxford Economics](#). Corporations, including Ford, are experiencing a systemic transformation as the current environment and pace of technology development requires companies not only to reskill current employees and but also prepare the future workforce through training in the STEM subjects of Science, Technology, Engineering, and Maths.

To address these needs, Ford has been conducting research to conceptualize the “Factory of Tomorrow” and identify the emerging skills needed for the future workforce. Based on this work, a manufacturing academy is under development for Blue Oval City in Tennessee and will serve as a learning center for internal and external upskilling.

The creation of Blue Oval City will introduce a more sustainable, carbon neutral electric vehicle manufacturing ecosystem. Along with the new BlueOval SK Battery Park in Kentucky, these two sites will create nearly 11,000 new jobs. In addition, we announced investing \$90 million in Texas and \$525 million total across the United States that will go toward job training and career readiness initiatives to develop highly skilled technicians that can support our growing portfolio of connected electric vehicles.

In the U.K. a reskilling program has been created through a Ford and government partnership. These are early examples of the effort required to build more skilling and reskilling opportunities across the globe.

students, women, Black, and Hispanic people of all ages and stages of life build new skillsets, remove barriers to economic success and create opportunities for growth.

 [Read more about the Ford Fund Annual Report for more details](#)

Making Lives Better and Community Revitalization are also addressed in our Sustainable Financing Framework. Along with investments in Clean Transportation and Clean Manufacturing, proceeds will advance economic opportunity and equity for underrepresented and/or disadvantaged populations through projects to help widen Ford's supplier and dealer diversity networks. Proceeds will also support and lift disadvantaged communities by creating and renovating spaces to provide employment opportunities and access to essential services.

 [Read more about our Sustainable Finance Framework in our Integrated Sustainability and Financial Report 2022](#)

We must also support a transition to electrification that is economically equitable. The high price point of new technologies will put pressure on access to technology for the disadvantaged as the transition to a low carbon economy proceeds. The transition to electrification could exacerbate income gaps as the price of electric vehicles may initially be out of reach for some consumers.

Ford is expanding access to essential financial services by providing automotive financing products and advancing economic opportunity and equity. Examples include supporting underserved yet credit-worthy populations with access to credit or offering payment extensions to provide relief to customers impacted by public health emergencies, natural disasters, or other such events.

Our new Blue Advantage program is helping make EVs and PHEVs more accessible to buyers who cannot afford new cars. The program features a 14-day/1,000-mile money-back guarantee for used cars, helping make the

decision to move to EVs and PHEVs easier as they roll out in the second-hand market.

 [Read more Just Transition stories in our Integrated Sustainability and Financial Report 2022](#)

Supply Chain

Our initial approach to reducing emissions in our supply chain includes select Tier 1 suppliers. Our new [Supplier Code of Conduct](#) mandates that our manufacturing, assembly, and Ford Customer Service Division suppliers minimize their impact on climate change aligned with the Paris Agreement, striving towards carbon neutrality. Our suppliers are required to:

- Report their Scope 1, 2, and 3 emissions and water usage data to Ford if requested
- Establish science-based GHG reduction targets, action plans, and transparent reporting mechanisms

To build environmental capacity regarding the reduction of GHG emissions, we collaborate with our suppliers through our Partnership for A Cleaner Environment (PACE) program, where we have shared best practices with nearly 80 key suppliers.

So far, our suppliers have implemented projects in at least 13 countries: United States, Argentina, Brazil, Canada, China, Czech Republic, Germany, India, Mexico, Poland, Serbia, South Africa, and Thailand. FastPACE, a streamlined version of PACE, is helping reduce the impact of key partners in China, India, Thailand, and South Africa. Supplier participation has increased from 2020 to 2021 by over 60%. As a result, PACE and FastPACE suppliers are on track to save an estimated 17,652 metric tons of CO₂ over the next three years.

Climate Change – continued

Engagement

Addressing climate change is a global issue that no one company, country, or organization, can achieve on its own. It will require collaboration to drive progress as success is dependent on broad changes, most significantly the energy supply. Power suppliers and fuel suppliers all play a role. However, many factors must be addressed including government policies, climate change impacts, market trends, and consumer preferences.

To drive collaboration and progress toward our carbon neutrality goal, we have joined the CEO Climate Dialogue and the Climate Leadership Council and signed up to the New Deal for Europe initiative to devise a comprehensive Sustainable Europe 2030 strategy. We signed the “Business Ambition for 1.5°C Commitment Letter” and worked with the Science Based Targets initiative (SBTi) on approval of our emissions targets. As a founder of the AIAG’s Environmental Sustainability Advisory Group and member of its Greenhouse Gas Work Group, we continue to work with other OEMs to develop supplier training programs covering GHG emissions, Scope 3 emissions, and water management, with guidance on calculations and strategy development.

This year we participated in the World Benchmarking Alliance (WBA) Just Transition Framework for the first time. We scored as leaders on social sustainability and human rights in the automotive sector, and we are addressing transparency around Just Transition with this Human Rights Report.

Looking ahead

We are mindful that legislation, notably in the EU, China, and Canada, is becoming more aggressive in terms of approach to carbon taxation and air quality. For example, the European Green Deal aims to overcome the challenges of climate change and transform the EU into a modern, resource-efficient, and competitive economy, by supporting:

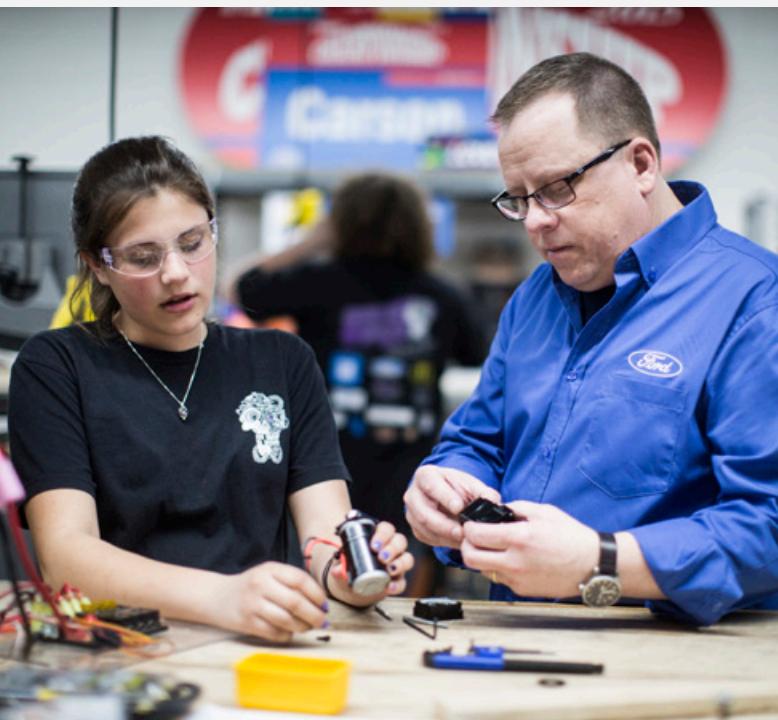
- no net emissions of greenhouse gases by 2050
- economic growth decoupled from resource use
- a Just Transition to carbon-free economy

We will continue to monitor and advocate for key enablers that support our goal of carbon neutrality such as carbon pricing systems through the Climate Leadership Council. We will also support other activities through our membership in the CEO Climate Dialogue and our work with the Center for Climate and Energy Solutions.

Engaging Tomorrow's Workforce with STEM



CASE STUDY



We are also reimagining our STEM strategy to increase skill development and create more clear pathways to jobs.

Ford is a sponsor for over 25 different STEM programs around the United States. Our employees actively volunteer in most of these programs as they work to bring STEM alive for college, high school, and middle school age students.

For example, Ford is a Strategic Partner of FIRST® Robotics, helping to build engineers and scientists of the future. We actively sponsor teams in 87 high schools and in 136 elementary and middle schools located across the United States. More than 240 Ford employees mentor students during the year, working together to sharpen students' knowledge of STEM. In Detroit, we've sponsored the Detroit Hispanic Development Corp.'s FIRST Robotics teams, as well as creating a career technical education program and providing funding to update their machining shop.

Ford is also doing its part to decrease the gender gap in the engineering profession by increasing interest in engineering among girls. We sponsor the Girls in Engineering Academy through the Engineering Society of Detroit. Through this program, girls in middle school have opportunities to learn and have fun with STEM related topics including motorsports. Ford and Ford Motorsports hosted a session in the Detroit area for about 100 females.

→ [Read more on Just Transition and our actions in our Integrated Sustainability and Financial Report 2022](#)

Fair and Equal Wages

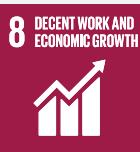
**DEI Goal:**

Promote gender parity and equal pay.

Salient Issue:

All workers have the right to a fair wage. The notion of a fair wage is not static since it depends on a range of objective and subjective criteria. The right to a fair wage is a fundamental human right that is closely linked to other labor and human rights, e.g., freedom of association, discrimination, forced labor, and child labor.

The principle of equal wage is that workers should have equal pay when they perform the same or similar jobs, when legitimate factors impacting wage/compensation levels, such as education, experience, specialized skills and wage market, are accounted for. Equality applies to all workers without distinction based on gender, race, nationality, disability, age, health status, or any other factor not related to job qualification, skills, or performance. The right to equal pay is closely linked to the elimination of discrimination in respect of employment and occupation.

UN SDGs**Why is it Important?**

Ford's commitment to a fair wage for its employees began in 1914 when Henry Ford instituted the \$5 workday and helped create the middle class. Not only did this move stabilize the workforce, but it also "raised the bar all over the world," according to Bob Kreipke, Ford Motor Co. Historian Emeritus.

Fair and equal wages contribute to better lives and stronger communities around the world. For some they are a road out of poverty; for others, a ticket to the middle class.

Who is Impacted?

All Ford employees and workers within our business partners and supply chain could be affected if wages are not fair and equal.

How is Ford Managing the Issue?

Ford's commitment to fair and competitive compensation and benefits is reinforced by our Corporate Human Rights Policy. We are committed to equal pay for equal work. Employee compensation in each market should be fair and equitable, irrespective of gender, race, or similar personal characteristics.

Equal pay for equal work applies to all forms of pay, including base salary, incentives, bonuses, and other forms of compensation. Ford shares a Pay Equity Statement with our employees to communicate Ford's commitment to this fundamental value.

Ford complies with fair pay laws in all regions and countries and conducts ongoing review of our compensation data and practices globally to ensure they are fair, equitable, and free of bias due to race, gender, or any other similar characteristics. We also utilize outside experts to conduct a thorough statistical analysis of salaried compensation throughout our workforce. If business-related explanations for the statistical outcomes are not identified, Ford makes salary adjustments to address these situations.

Aside from periods of bargaining when wages are a critical topic of discussion, the company continuously

responds to and works with the unions to ensure wages are equitable in the regional markets.

Ford is also taking positive steps to promote transparency by providing data on the current state of pay equity and progress that the company is making. Ford believes that open communication can only advance the cause of pay equity and equal employment opportunity.

Our 2021 Global Salaried Gender Pay Ratio, defined as the weighted average ratio of average female salaries to average male salaries within peer groups¹ worldwide, is 98.2%. Our U.S. Salaried Minority Pay Ratio, defined as the weighted average ratio of average minority salaries to average non-minority salaries within peer groups¹ in the U.S., is 100.1%. Although our analyses show no indications of systemic pay bias, we will continually monitor our entire compensation structure to ensure that all employees are paid appropriately.

In the U.K. we publish a [Gender Pay Report](#) that seeks to explain the difference in the pay of male and female employees, according to a series of measures as defined by U.K. Government.

We have policies and practices in place to help deter unintentional inequities. These include: not asking for a candidate's salary history during the recruitment process, establishing standard starting salaries by degree and position for entry-level new hires, establishing promotional guidelines based on pre-promotional position within the salary range that allow lower paid employees to receive larger increases, and correcting specific pay relationships that are contributing to inequity.

We are focused on creating a supportive work environment where women can thrive. For the fourth year in a row, Ford was included in the [Bloomberg Gender-Equality Index \(GEI\)](#).

Supply Chain

Our Supplier Code of Conduct mandates that our suppliers comply with applicable laws regulating hours of

work including overtime, where applicable, and provide fair and competitive compensation and benefits that meet or exceed legal requirements.

Our audits review a number of issues regarding wages and benefits, including timely payments, correct calculations of deductions or withholdings and payment to government, correct calculation and payment for regular and overtime hours, and that wages are not reduced for disciplinary reasons. Once identified, issues are resolved through corrective action plans.

Findings from Sustainability SAQs completed in 2021

Supplier policy gap identified	Percentage of suppliers indicated
Inadequate policy regarding wages and benefits	6%

→ [Read more about how we address our supplier audit/sustainability SAQ findings and improve supplier compliance in "Our Approach to Human Rights" section on p.9](#)

Engagement

We are transparent in our compensation policies and programs with our employees. Our employees have access through our website an overview of our compensation practices, Pay Equity Statement, Pay Transparency Policy, U.S. Pay Equity Analysis, and other compensation policies. We encourage employees to talk with their people leaders or People Matters team as needed.

We are working to address root causes of wage inequity in our supply chain by participating in multiple workgroups through AIAG, RBA, and Responsible Labor Initiative (RLI).

Looking Ahead

We will continue to use a competitive survey process to measure our competitive position in the marketplace with regard to compensation and benefits against a group of peer companies. We will also continue to monitor and disclose our gender and minority pay equity ratios.

¹ A peer group consists of employees in the same region, salary grade and skill team, when available.

Forced Labor and Ethical Recruitment

Sustainability Aspiration:

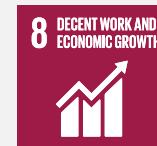


Source only raw materials that are responsibly produced.

Salient Issue:

Forced or compulsory labor refers to all work or service by an individual in which they are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers, or threats of denunciation to immigration authorities. It includes a commitment to ethical recruitment, which is the process of engaging workers fairly, transparently, and based on merit, recognizing that unethical recruitment often leads to forced labor. It also covers all tiers of the supply chain and includes minerals from conflict areas, which are typically linked with forced labor and systemic violence and oppression.

UN SDGs



8 DECENT WORK AND ECONOMIC GROWTH

Why is it Important?

In a complex, global supply chain, which involves sourcing materials from less developed countries or conflict zones, individuals may be vulnerable to forced labor, child labor, or human trafficking. Victims of forced labor are economically exploited, and their mobility is typically restricted.

According to the UN's International Organization for Migration (IOM), manufacturing is the fourth largest risk area for forced labor, and debt bondage is the most frequent form of forced labor in manufacturing.

Who is impacted?

Low-income workers, including migrant workers, women, and children, are particularly vulnerable to forced labor and unethical recruiting.

According to the UN IOM, forced labor is happening everywhere in the world and is most highly prevalent in Asia and the Pacific.

How is Ford Managing the Issue?

Ford does not tolerate forced labor in our operations or in our supply chain. Our Corporate Human Rights Policy and our Supplier Code of Conduct prohibit the use of forced labor in any form and require use of ethical recruiting practices.

However, in certain countries where we do business, it is legal to charge recruiting fees to workers. Common recruiting fees include labor agent fees, medical costs, transportation and lodging, training fees, and passport and visa fees. We actively work with suppliers in these countries to align their internal policies with our Supplier Code of Conduct.

We maintain compliance with all legislative initiatives, acts, and regulations designed to increase transparency and promote due diligence. Our risk assessment program includes forced labor and ethical recruitment.

Within our operations, we pay our workers regularly, in full and on time, and all workers receive a pay slip with their wages explaining any legitimate deductions. We do not require workers to pay work-related fees, and we pay all costs and charges involved in the recruitment process.

We also conduct human rights risk assessment at our global manufacturing facilities, which includes assessment for forced labor and ethical recruiting. We conduct annual Code of Conduct training which includes our Corporate Human Rights Policy.

Supply Chain

Our Supplier Code of Conduct mandates that our suppliers neither use nor condone forced or compulsory labor in any form and do not employ any form of abusive disciplinary practices. In addition, we strictly prohibit our suppliers from both using and supporting human trafficking, and we require that they follow ethical recruiting practices.

Our audits in 2021 did not reveal any instances of child, forced, or involuntary labor, although policies and procedures for 1 in 5 of the high-risk suppliers audited lacked the required robustness to ensure compliance.

Findings from supplier audits completed in 2021

Non-conformance category	Percentage of non-conformance
Freely Chosen Employment Policies and Management Systems	21%

Findings from Sustainability SAQs completed in 2021

Supplier policy gap identified	Percentage of suppliers indicated
Inadequate policy regarding modern slavery (i.e., slavery, servitude and forced or compulsory labor and human trafficking)	6%

Through our partnership with the RBA, in 2020 we piloted e-learning training for our supply base focusing on recruitment fees. In 2021, the "Due Diligence on Recruitment Fees" training eLearning was sent to suppliers



located in countries with a higher risk of forced labor practices. We had 150 of our suppliers complete the course.

→ [Read more about how we address our supplier audit/sustainability SAQ findings and improve supplier compliance in "Our Approach to Human Rights" section on p.9](#)

Engagement

We are active members on multiple workgroups through RBA and its Responsible Labor Initiative (RLI) and Responsible Minerals Initiative (RMI). Ford's workgroup participation supports discussions around cross-industry audit protocol advancement, living wage, artisanal and small-scale mining, as well as definitions of recruitment fees that touch on forced labor and ethical recruiting. We are also participating in the AIAG Forced Labor Human Rights (FLHR) workgroup supporting initiatives to help the automotive industry increase due diligence in the supply chain.

Looking Ahead

We will continue to expand the use of human rights risk assessments at our global manufacturing facilities in 2022 for alignment with our policies. In addition, we continue to audit and build capacity with our supplier. We also continue to engage with multiple workgroups on best practices to both prevent forced labor and conduct ethical recruiting.

Harassment and Discrimination

Sustainability Aspiration:



Create a truly diverse culture where everyone feels like they belong.

Salient Issue:

Harassment means conduct of a harassing nature, whether in the workplace or off-site, which has the effect of interfering with someone's work performance or which creates an intimidating, hostile, or offensive working environment. What is acceptable, amusing, or inoffensive to some may be unwelcome, abusive, or offensive to others.

Ford does not tolerate violence, hate speech, harassment, or discrimination of any kind, including but not limited to gender, gender identity, race, color, religion, age, national origin, sexual orientation, disability, or veteran status. In addition, Ford does not tolerate any forms of violence, torture, cruel, inhumane, or degrading treatment. Beyond our immediate workplace, Ford condemns violence, hate speech, hate crimes, harassment, and discrimination which may affect our employees and partners outside of their work environment and the communities where we live, work, and serve.

UN SDGs



Why is it Important?

We have a responsibility to our employees; our approach of "Care for Each Other" is a central part of the Ford+ plan. We support diversity, equity, and inclusion through training, awareness-raising, and strong talent pipelines. Eliminating harassment and discrimination goes hand in hand with our aspiration to create a truly diverse culture where everyone feels like they belong. Ford's commitment to creating a culture of belonging is viewed as a strategic imperative to the company's future success.

Not only do we treat our workforce fairly, humanely, and with respect and dignity, but we expect our suppliers to do the same.

Who is impacted?

Ford employees and workers at our suppliers around the world are vulnerable to harassment and discrimination. Women are especially impacted. Within raw minerals mining, women who are not able to perform certain roles are sometimes getting pushed out of economic equality.

How is Ford Managing the Issue?

Our commitment to respect human rights starts with our employees. As identified in our Corporate Human Rights Policy, we strive to maintain a safe and healthy work environment, do not tolerate harassment and discrimination, and follow ethical recruitment practices. Across Ford, we act with integrity and transparency, creating safe, inclusive workplaces so that everyone can perform at their best.

Ford has a strong focus on reinforcing our policies to ensure that the work environment of all our manufacturing facilities is free of harassment and discrimination. Manufacturing facilities continue to be a focus for enhancing a culture of mutual respect and acceptance. There is a significant investment from the leadership team to monitor and respond to harassment reporting and related metrics.

In addition to our policies and procedures, Ford has a Global Framework Agreement (GFA) with IndustriALL Global Union that reiterates our commitments to our global labor community.

In recent years, we have bolstered our employee programs to address harassment and discrimination more directly. For example, in 2021 all Ford salaried full time, part-time, and agency workers received Code of Conduct training which included an overview of all of our policies including harassment and discrimination.

In the U.K. we introduced Dignity at Work (DAW), our new anti-bullying and harassment policy. The policy recognizes the right of all individuals to be treated with dignity and respect in the workplace and Ford's commitment to conducting business with integrity.

We are currently updating the policy to reflect the work we have been undertaking on alternative resolutions such as mediation. The objective of mediation is to resolve the matter speedily and confidentially without recourse to a formal investigation and with the minimum of conflict and stress for the individuals involved. We have run training for Human Resources colleagues so that they can run mediation sessions. Additional mediation training and resources including a best practice guide are available to our Human Resources team. To ensure all U.K. employees are aware of the topic we have introduced updated DEI training online with workers throughout Europe completing the course.

Employee rights are getting increased attention. In November 2021, Ford became the first U.S. automaker to require vaccinations for salaried employees. In the same month, our Canadian employees, both hourly and salaried, were also required to disclose their vaccination status. Employees can also receive an approved accommodation. This policy was supported by most employees, but opposed by a vocal minority.



We review our policies, guidelines, and procedures from an inclusive and equity perspective to ensure we are fostering a respectful work environment by removing barriers and improving the employee experience. We believe that through the use of relevant scenarios in training we raise awareness on how to identify and prevent potential harassment and discrimination, and how to create a culture of belonging where everyone feels safe, respected, and valued."

Ana Lucía Martínez Pous
Senior Partner, Ford International People Matters

Laura Howlett Saale
Community of Expertise – Senior Specialist,
Ford People Matters

In addition, we require our suppliers to follow a similar policy. Per our Supplier Code of Conduct, suppliers must not allow harassment or discrimination based upon race, color, religion, age, gender, sexual orientation, gender identity, national origin, disability, veteran status, genetic information, pregnancy, or other factors that may be covered by local law.

Suppliers must also support diversity, promote gender equity, and base employment relationships on the principles of equal opportunity.

Creating an Inclusive Environment

We are committed to building an inclusive culture where everyone feels respected and valued to help eliminate harassment and discrimination. Our DEI North Star is, We are family. We celebrate our differences. We all belong.

Harassment and Discrimination – continued



We review our people systems, policies, and procedures from an equity perspective to ensure we are removing barriers and improving the employee experience. We believe that through learning and education we raise awareness of the negative impact of harassment and discrimination and create a culture of belonging where everyone feels respected and valued.

→ [Read more about our DEI learning strategy in our Integrated Sustainability and Financial Report 2022](#)

Our efforts to build inclusive work environments and foster a culture of belonging in our U.S. manufacturing facilities is ongoing. Through our Culture Manager program, we have implemented a Manufacturing Culture Playbook which provides a framework for plant managers to assess their work environments and build plant specific actions to anticipate, address, or prevent issues and sustain positive cultures. By mid-2022 all plants in the U.S. and Canada will be supported by a Culture Manager.

→ [Read more about putting people first in our Integrated Sustainability and Financial Report 2022](#)

Governance and Reporting

Ford encourages a culture of reporting and promotes how to report harassment and discrimination. Throughout all of our facilities, we continue to encourage employees to report any incidents of harassment, discrimination, or retaliation, and in all cases we investigate promptly and take appropriate action. Incidents can be reported anonymously using multiple mechanisms, including telephone hotlines, websites such as SpeakUp or email.

We have a policy prohibiting retaliation against anyone who in good faith reports a violation, and we have a process to review and respond to reports as appropriate as identified in our [Code of Conduct](#).

All reports are reviewed and addressed, and corrective or disciplinary action is taken where appropriate. A cross-functional committee oversees this process. There is an established governance system to review harassment and discrimination findings at all levels of the organization, up to and including the Board of Directors, as necessary. Data is reviewed on a quarterly basis and the appropriate committees periodically review policies related to personnel matters, including those concerning sexual harassment, as well as anti-retaliation policies related to whistleblowers.

Actions and priorities are influenced by the findings, including examples such as mandatory anti-harassment training, location-specific culture surveys, focus groups with Employee Resource Groups such as Ford-employees African-Ancestry Network for insights on social tensions, expansion of learning resources through Degreed, and many others.

As part of Ford's U.S. collective bargaining agreement with the United Auto Workers, covered U.S. hourly workers have access to a comprehensive grievance procedure. This procedure allows covered employees to bring workplace concerns, including concerns about harassment and discrimination, to Ford's attention through the filing

of a grievance by their union. Once filed, the grievance proceeds through a multi-stage process, which may culminate in a hearing and decision by a neutral arbitrator who has the power to grant the employee remedies such as reinstatement or back pay.

Measuring Progress

Our Code of Conduct refers employees to our policy, *We Are Committed to a Workplace Free from Harassment*, which reiterates the company's prohibition of harassment and our commitment to fostering a respectful, inclusive work environment. The expectations from our Code of Conduct are reinforced in mandatory online training courses for all Ford salaried full-time, part-time, and agency workers. We also publish our [Confirmed Harassment Allegations](#) in our [Performance Data 2022](#).

In North America, the number of substantiated salaried harassment complaints remained about the same from 2020 to 2021. In the rest of the world, the number of substantiated salaried harassment complaints remains relatively low, with the International Markets Group trending higher compared to 2020.

In 2021, each corporate officer had a DEI objective and in 2022 this was expanded to all salaried employees globally. We will continue building our data gathering and metrics capability in order to leverage actionable insights.

→ [Read more about our DEI activities in our Integrated Sustainability and Financial Report 2022](#)

Harassment and Discrimination – continued

CASE STUDY →

LGBTQ+ Training for New Hires



New hire onboarding in 2022 will include training focused on LGBTQ+ rights, communication, and awareness. The new training program was developed in response to external communications and internal feedback from benchmarking surveys and ERGs that showed that while Ford talked about harassment, the company didn't drill down deep enough into causes and remediation.

In partnership with Manufacturing Learning & Development, Ford Pride ERG designed an online training program that will be mandatory for all U.S. new hires and management in 2022. The training programs reinforce several pro LGBTQ+ policies Ford has in place through the use of various scenarios.

The value for this type of training is multifaceted. The goal of this course is to raise awareness about how our perceptions and biases of the LGBTQ+ community impact the way we work. The audience will recognize what is and is not acceptable

regarding treatment of LGBTQ+ personnel in the workplace according to Ford policy. After completing this course, they will be able to:

- Describe their perceptions of the LGBTQ+ community
- Recognize how perceptions and biases impact behavior
- Recognize Ford's policies on harassment and retaliation in the workplace (as it relates to LGBTQ+)
- Explain how gender is defined
- Describe ways to respectfully work together
- Examine how your perceptions have changed after completing this training

This training has also led us to review policies and guidelines in place to determine if revisions are needed. Both the training and revised policies are scheduled to be in place around the end of the first quarter of 2022.

Supply Chain

Ford takes harassment and discrimination seriously and expect our suppliers to do so as well. This is embedded in our Supplier Code of Conduct, which specifies our suppliers must not tolerate harassment or discrimination of any kind.

Findings from Sustainability SAQs completed in 2021

Supplier policy gap identified	Percentage of suppliers indicated
Inadequate policy regarding harassment and discrimination	4%

→ [Read more about our supplier audit and sustainability SAQ findings on p.16](#)

Engagement

We continue to encourage employees to report any incidents of harassment, discrimination, or retaliation through multiple mechanisms as noted above.

Stakeholders and subject matter experts work alongside our Racial Equity Director to ensure equity in employee policies, processes, and procedures. These efforts help reduce bias and remove challenges along the employee journey that might prevent equitable career development.

We believe advancing our inclusive culture will help eliminate harassment and discrimination, and we continue to engage with our employees through various formats as indicated in our Integrated Sustainability and Financial Report.

→ [Read more in our Integrated Sustainability and Financial Report 2022](#)

Looking Ahead

In 2022, we will continue to hold ourselves accountable. Every salaried employee will have a DEI Objective in their performance review. We will continue building our data gathering and metrics capability in order to leverage actionable insights. Beginning in 2022 anti-harassment and discrimination training will occur annually. Each year's training will be tailored based on previous year's case trends.

Our reporting hotline and metrics will be expanded outside the U.S. We are mindful of the need to foster a culture of trust as there are different cultures to manage.

While metrics and actions are important, the sense of belonging that occurs when we get this right is game changing for our team and Ford+. We have committed to a holistic approach across the business and building DEI into our policies, systems, and processes in order to create sustained change.

Human Trafficking

Sustainability Aspiration:

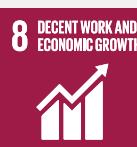


Source only raw materials that are responsibly produced.

Salient Issue:

Human trafficking is the recruitment, transportation, transfer, harboring, or receipt of people through force, violence, fraud, or deception, with the aim of forcing them to work against their will and exploiting them for profit.

UN SDGs



Why is it Important?

The automotive supply chain is one of the most complicated of any industry. There are often six to ten levels of suppliers between an automaker and the source of raw materials that enter the manufacturing process. Our products rely on the skills of thousands of employees and the support of our supplier partners. Everything we make – or that others make for us – needs to be produced in a manner that is consistent with local laws and our own commitment to protecting and respecting human rights.

According to the UN's International Organization for Migration (IOM), manufacturing is the fourth largest risk area for forced labor (behind domestic work, sex work, and agriculture).

Who is Impacted?

According to the UN IOM¹, Human trafficking of persons in forced labor situations is happening everywhere in the world. Low income workers, including migrant workers, women, and children, are particularly vulnerable to forced labor, including human trafficking. Men are more likely to be exploited in forced labor in construction and manufacturing sectors. Workers in raw material extraction (located in CAHRAs) and parts production may be vulnerable to human trafficking.

How is Ford Managing the Issue?

Our Corporate Human Rights Policy prohibits the use or support of human trafficking. We safeguard against human trafficking by maintaining compliance with all legislative initiatives, acts, and regulations designed to increase transparency and promote due diligence.

Supply Chain

Our Supplier Code of Conduct mandates that our suppliers neither use nor condone forced or compulsory labor in any form and do not employ any form of abusive disciplinary practices. It expressly prohibits forced labor including human trafficking, and we require that our suppliers follow ethical recruiting practices.

Over the past three years, our audits did not reveal any instances of child, forced or involuntary labor, or human trafficking, although several suppliers' policies and procedures lacked the required robustness to ensure compliance. Human trafficking is reported as part of the forced labor non-conformances.

Findings from supplier audits completed in 2021

Non-conformance category	Percentage of non-conformance
Freely Chosen Employment Policies and Management Systems	21%

Findings from Sustainability SAQs completed in 2021

Supplier policy gap identified	Percentage of suppliers indicated
Inadequate policy regarding modern slavery (i.e., slavery, servitude and forced or compulsory labor and human trafficking)	6%

→ [Read more about how we address our supplier audit/sustainability SAQ findings and improve supplier compliance in "Our Approach to Human Rights" section on p.16](#)

Engagement

We are active members on multiple workgroups through RBA and its Responsible Labor Initiative (RLI) and Responsible Minerals Initiative (RMI). Ford's participation supports discussions around cross-industry audit protocol advancement, living wage, artisanal and small-scale mining, as well as definitions of recruitment fees that touch on forced labor and ethical recruiting.



We are also participating in the AIAG Forced Labor Human Rights (FLHR) workgroup supporting initiatives to help the automotive industry increase due diligence in the supply chain.

Looking Ahead

We will continue to expand the use of human rights risk assessments at our global manufacturing facilities in 2022 for alignment with our policies. In addition, we continue to audit and build capacity with our suppliers and continue engagement with multiple workgroups for best practices to prevent human trafficking.

Global Modern Slavery and Human Trafficking Transparency Statement

Our Global Modern Slavery and Human Trafficking Transparency Statement is Ford's annual statement providing information about our company, our policies, our contracts and requirements of our supply base, and our due diligence process for preventing, ceasing, mitigating, and/or remediating any issues arising in our company and our supply base.

¹ "Migrants and their Vulnerability to Human Trafficking, Modern Slavery and Forced Labour," published July 23, 2019. <https://publications.iom.int/books/migrants-and-their-vulnerability-human-trafficking-modern-slavery-and-forced-labour>.

Occupational Health, Safety, and Wellbeing

Sustainability Aspiration:

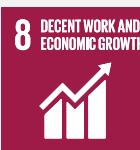


Work toward a future that is free from vehicle crashes and workplace injuries.

Salient Issue:

Occupational health, safety, and wellbeing pertains to providing and maintaining a work environment that meets or exceeds applicable legal standards for occupational health and safety for workers across the value chain. It includes the physical security, mental health and wellbeing of workers, and extends to the health and safety of communities.

UN SDGs



Why is it Important?

Ford aspires to work towards a future that is free from vehicle crashes and workplace injuries as we maintain or improve employee personal health and wellbeing.

Public health crises like pandemics bring salient issues into sharper focus and exacerbate their effects on employees and vulnerable populations. The ongoing COVID-19 pandemic sparked a continued focus on occupational health, safety, and wellbeing. However, our response to COVID-19 encompasses more than health, safety, and security. The impact on individuals' wellbeing and mental health has become more prominent. Mental health has always been an issue; now it is coming to the surface.

Who is impacted?

Ford employees in all of our facilities are impacted, as are employees of our business partners and suppliers.

How is Ford Managing the Issue?

Occupational health, safety, and wellbeing is a key strategic priority at Ford. We are committed to provide a healthy and safe working environment as stated in our Corporate Human Rights Policy. Also, we focus on wellbeing and mental health because of the impact this has on overall health and safety. We work diligently to achieve world-class levels of occupational safety year over year, through the application of policies and best practices.

Our robust safety culture is supported by management and governance systems, effective communication, reporting and external benchmarking. We continually monitor and improve workplace safety through our internal Safety Operating System (SOS). We conduct regular communications and promotions on key safety issues to promote occupational health and safety. We have robust reporting processes, including all injuries, hazards, and near-misses, so we can ensure corrective

actions are taken and prevention measures are implemented. We also share safety best practices via multi-industry groups, within and outside the automotive sector, and collaborate to address common issues.

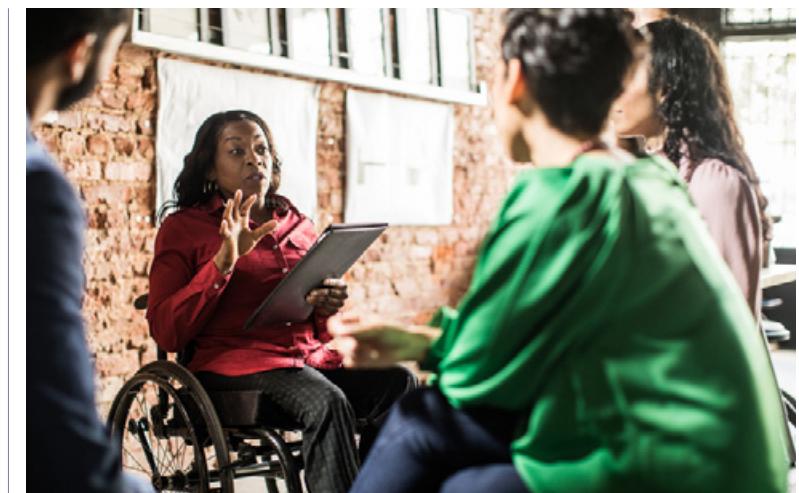
We are committed to supporting the unions we work with and the collective bargaining to ensure the health and safety of our union represented employees and locations.

In 2021, we continued to focus on identifying potentially fatal events and high potential incidents involving our employees and contractors globally. From these incidents, global corrective actions are initiated and tracked to ensure that the identified causal factors are addressed. These corrective actions are tracked weekly to ensure timely completion.

Due to these efforts, we have had very good success with reducing these types of events including two consecutive years without a workplace fatality in 2019 and 2020. Unfortunately, in 2021, we did experience three fatalities within our operations, two employees and one service contractor. Because each loss of life is unacceptable, cross-functional teams worked extensively to identify and implement controls to address the hazards which created these life-changing events.

We continue to provide programs and services that help employees achieve good health and wellbeing and make informed choices. We provide a broad array of resources and solutions to educate employees, build capability, and meet individual and organizational wellbeing needs and goals.

We use data-driven insights gathered through surveys, focus groups, and claims data to understand employee needs and prioritize our wellbeing efforts. Some examples of our global wellbeing initiatives include building our global pool of trained and certified Mental Health First Aiders to provide peer to peer mental health support, Mindfulness clubs, and World Mental Health Day observances.



We have a strong commitment to Diversity, Equity, and Inclusion and are working from the top down and the bottom up to create a culture of belonging where all our employees feel welcome, valued, and supported.

We work closely with our Employee Resource Groups (ERGs) to ensure ERG members are receiving the care they need. For example, our ERGs offered wellbeing sessions for our employees and UAW workers after the trial of Derek Chauvin in the George Floyd murder and with our veterans after the U.S. troop withdrawal from Afghanistan.

We are also leveraging feedback from our ERGs to gain input into improving the employee experience, product programs, and marketing. In 2021, the Ford Empowering Diverse Abilities (FEDA) and Ford Pride ERGs partnered closely with Ford Land on the development of building standards for new and renovated spaces for those who need accommodations or have access requirements that may not be typical.

→ [Read more about Occupational Health, Safety, and Wellbeing in our Integrated Sustainability and Financial Report 2022](#)

→ [Read more about our DEI activities in our Integrated Sustainability and Financial Report 2022](#)

Occupational Health Safety and Wellbeing – continued

Our ethos of caring for each other was exemplified when Ford employees stepped up to help their colleagues manage at-home schooling as they joined with professional tutors to offer online tutoring for employees' children. Our ERGs have also hosted multiple listening sessions for employees to promote awareness and allyship. Other COVID-19-related efforts from FEDA include working to develop a transparent face mask to facilitate lip-reading and communication while adhering to safety protocols.

We also worked to help people in our communities around the world manage the pandemic. We opened a community vaccine center in Craiova, Romania, vaccinating 13,000 of the community's most vulnerable residents. When COVID-19 cases surged in India and Brazil, we provided \$200,000 in emergency funding to assist nongovernmental organizations delivering food, cleaning supplies, and other essential items. In partnership with Ford South America, we distributed food, hygiene, and medical kits to more than 8,000 families in Argentina, Brazil, Chile, Colombia, Peru, and Venezuela. In Vietnam, Ford Vietnam partnered with the Live and Learn Charitable Foundation to donate face masks and meals to visually impaired students in Hanoi. Ford Vietnam also sponsored the provision of COVID-19 test kits to provinces seriously impacted by the spread of the virus and delivered COVID-19 care kits to all employees. In addition, Ford Vietnam donated an ambulance and other essential equipment, such as a dialysis machine, to local hospitals.

[Read more about how we strengthened and served communities in the 2021 Ford Fund annual Report](#)

Flat Rock Assembly Plant

When incidents do occur we respond swiftly. For instance, when gasoline from our Flat Rock Assembly Plant leaked into city sewers in September 2021, Ford worked diligently and collaboratively with federal, state, county, and local agencies to both keep the community safe and thoroughly address the issue.

Supply Chain

Our Supplier Code of Conduct mandates our suppliers to provide a healthy and safe working environment that meets or exceeds local and national safety, occupational health, and fire safety legislation, and to provide regular risk assessments, training to workers, Personal Protective Equipment (PPE) at no cost to workers, and to implement an effective fire safety management system and emergency plan at every supplier worksite.

In addition, we expect our suppliers to maintain a health and safety management system to limit worker exposure to hazards and promote continuous improvement of working conditions and occupational health and safety.

SAQs conducted in 2021 showed supplier policy gaps in health and safety. In addition, supplier audits showed that 28% of suppliers had health and safety non-conformances.

[Read more detail on health and safety audit findings in our Performance Data 2022](#)

Findings from Sustainability SAQs completed in 2021

Supplier policy/practice gap identified	Percentage of suppliers indicated
Do not use a validated health and safety management system	9%
Do not offer health and safety training	5%
Inadequate policy regarding health and safety	4%
Inadequate policies in other health and safety key areas	16%

[Read more about how we address our supplier audit/sustainability SAQ findings and improve supplier compliance in "Our Approach to Human Rights" section p.16](#)

Engagement

We participate in multi-industry groups, within and outside the automotive sector, to share safety best practices and collaborate to address common issues.

Looking Ahead

By leveraging the strategies proven successful in Ford office environments, coupled with conducting our own research, we have formulated 5 key priorities focused on health equity and wellness to address the occupational demands prevalent in manufacturing. It is our intention that through these priorities, Ford will not only improve the working conditions and health of its essential workers, but also lead the transformation of the industry's business-as-usual approach to manufacturing by focusing on environmental stewardship and social equity. These priorities, above all, aim to exemplify the power of Ford+.

- Health Equity
- Learning and Growth
- Engagement and Choice
- Culture and Understanding
- Environmental Impact

In addition, to address COVID-19, we continue to closely monitor and follow health and wellness guidance from experts around the world.

[Read more about Employee Health, Safety and Wellbeing in our Integrated Sustainability and Financial Report 2022](#)



CASE STUDY

COVID-19

While the COVID-19 pandemic is not a salient human rights issue on its own, it continues to have an impact on our company.

We rely on our comprehensive COVID-19 playbook to guide our response to the ongoing pandemic, and the protocols we developed in 2020 remain in place. Our goal is to keep all our people safe and help limit the spread of the virus in the communities in which we live and work. We continue to closely monitor and follow health and wellness guidance from experts around the world.

We also strive to keep our employees educated about the virus, its symptoms, and preventative measures they can take. We diligently monitor our workplaces and when and when a COVID-19 case is reported, we have a robust care team process that ensures all protocols are followed. We have made vaccines available to our employees. In November 2021, Ford became the first U.S. automaker to require vaccinations for salaried employees. In the same month, our Canadian employees, both hourly and salaried, were also required to disclose their vaccination status.

The COVID-19 pandemic encouraged us to rethink how employees work and institute policies and programs to give them flexibility to care for family. For example, we instituted a sabbatical program to give our employees the ability to take care of ailing family members.



Product Safety and Quality

Sustainability Aspiration:



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

Salient Issue:

Products are designed not only to meet or exceed applicable laws and regulations, but also to advance the state of the art in safety whenever practicable.

UN SDGs



Why is it Important?

Ford has a commitment to deliver high levels of safety and quality to our customers and employees. We design and manufacture safety into our products and services, creating vehicles that achieve the highest levels of safety in a range of real-world conditions. We are committed to meeting our customers' needs and expectations and performing well in public crash testing assessments.

Safety is more than airbags and seatbelts. Today's vehicles are more connected, with technologies to help avoid accidents and create a better driving experience.

These new technologies need to meet safety and performance expectations. Also with the advance of autonomous vehicles, self-driving cars and electric vehicles comes increasing complex technology.

Who is Impacted?

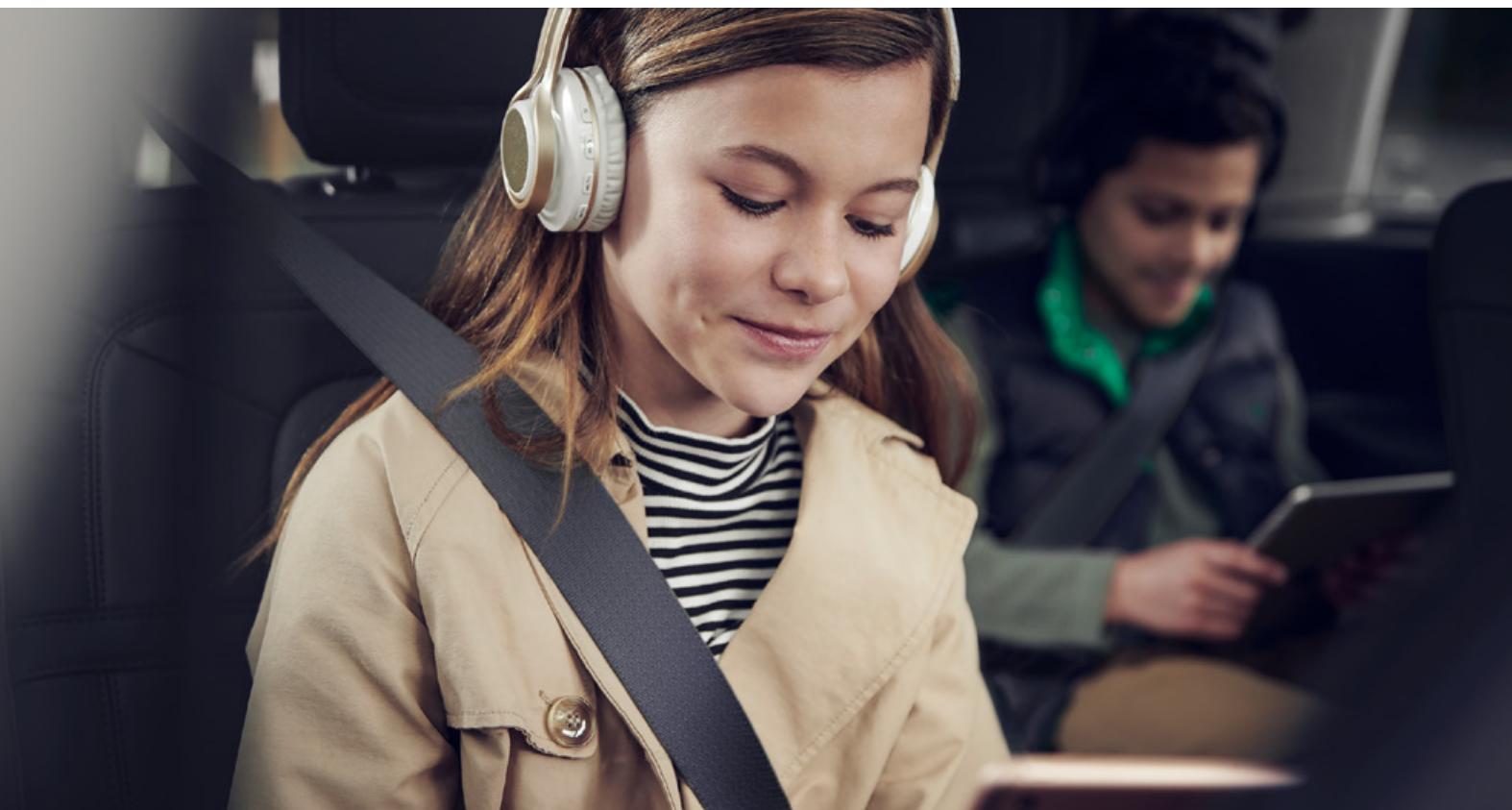
Product safety and quality affects all people, everywhere – from our customers, to road users, to the general public.

How is Ford Managing the Issue?

The safety and quality of our vehicles will always be a top priority. Our systems help ensure that our vehicles meet or exceed performance and quality standards. We play a leading role in vehicle safety and driver assist innovation and are working to develop new technologies.

We have processes and systems in place to confirm that our vehicles align with stringent internal guidelines on safety design and Ford-specified levels of performance for Public Domain tests

→ [Read more vehicle safety highlights in our Integrated Sustainability and Financial report 2022](#)



We regularly re-evaluate and update these guidelines, ensuring continuous improvement. To achieve high levels of safety performance, we conduct engineering analyses, computer simulations and component, subsystem, and full-vehicle crash tests at several sites in the United States and Europe, including crash-test facilities, the VIRTTEX (Virtual Test Track Experiment), and the Research and Innovation Center in Dearborn, Michigan.

Ford and Lincoln Co-Pilot360™ driver assist features use a combination of radar, sonar, and cameras to sense and interpret the environment, helping customers around the world drive confidently, alerting them to potential collisions, helping avoid pedestrians and cyclists, and making routine tasks easier.

Our new available BlueCruise¹ hands-free driver-assist technology builds upon available Intelligent Adaptive Cruise Control with Stop-and-Go, Lane Centering, and Speed Sign Recognition. When activated and ready, it will control steering, throttle, and braking of the vehicle with driver supervision on prequalified sections of divided highways called Hands-Free Blue Zones while the driver's attention is on the road.

¹ Driver-assist features are supplemental and do not replace the driver's attention, judgment, and need to control the vehicle. Ford BlueCruise is a hands-free highway driving feature. Only remove hands from the steering wheel when in a Hands-Free Blue Zone. Always watch the road and be prepared to resume control of the vehicle. It does not replace safe driving. See Owner's Manual for detail and limitations. Requires purchased 3-year connected service plan with regular map updates, FordPass App, and modem activation.

Product Safety & Quality – continued



Images: Ford BlueCruise¹ hands-free highway Driver-Assist Technology

95%
of all new light vehicles we produce
for the U.S. market with automatic
emergency braking (AEB) by
September 2022 Ford has pledged

Ford has pledged to equip a minimum of 95% of all new light vehicles we produce for the U.S. market with automatic emergency braking (AEB) by September 2022. We are continuing our commitment to installing AEB on vehicles in the 8,501 to 10,000-pound range by 2025/26. We have improved our commitment in this heavier weight class from 62% in 2020 to 75% in 2021. Ford will also be selling AEB equipped vehicles in Canada at similar levels.

We use warranty repairs as a key metric to measure initial quality, but go beyond warrantable items alone to measure our progress.

We are investing additional time and attention to continue improving vehicle quality and customer safety. We are working to ensure quality, customer satisfaction, and recall actions have more visibility and support at all levels of the company. We have started to see a reduction in the



number of field service actions and affected units when comparing 2020 with 2021.

We have implemented quality data dashboards for timely identification and resolution of customer concerns and are now implementing processes to address potential customer concerns in a faster way, even before delivering the vehicle to the customer. For example, advanced data analytics and machine learning help with the earlier detection of potential issues across our vehicle portfolio, even before delivering the vehicle to the customer. This tool minimizes time from detection to correction by combining this information with automatic anomaly detection and root cause analysis.

We are measuring the time to issue resolution with a “shot clock” – leveraging Quality Early Detection and using Over The Air Update (OTA) capability for faster issue resolution.

Engagement

We work with a number of companies, organizations, and academic and research institutions to enhance the safety of vehicles, including the U.S. Council for Automotive Research (USCAR), other manufacturers through the Alliance for Automotive Innovation, the European Council for Automotive R&D (EUCAR), the Society of Automotive Engineers (SAE) and the International Organization for Standardization (ISO). We work with our technology partner, Argo AI, and other groups to develop our self-driving business. We also provide information and educational programs to consumers to promote safe driving practices.

Looking Ahead

Our commitment to improving product safety and quality is ongoing. Using an integrated data management system, we will soon be able to monitor all stages of a quality investigation leading to faster decisions, improved parts availability, and global sharing of best practice solutions. New tools will enable us to trace parts and subsystems more precisely to vehicle-specific builds when an issue arises, rather than issuing wider recalls targeting a date range of vehicle identification numbers.

→ [Read more about product safety and quality in our Integrated Sustainability and Financial Report 2022](#)

¹ Driver-assist features are supplemental and do not replace the driver's attention, judgment, and need to control the vehicle. Ford BlueCruise is a hands-free highway driving feature. Only remove hands from the steering wheel when in a Hands-Free Blue Zone. Always watch the road and be prepared to resume control of the vehicle. It does not replace safe driving. See Owner's Manual for detail and limitations. Requires purchased 3-year connected service plan with regular map updates, FordPass App, and modem activation.

UN Guiding Principles Reporting Framework (UNGPRF) table 2022

The UN Guiding Principles Reporting Framework is a comprehensive guide for companies to report on human rights issues in line with their responsibility to respect human rights. This responsibility is outlined in the [UN Guiding Principles on Business and Human Rights](#), the global standard in this field.

UNGPRF questions	Location (section, page reference) and notes
Part A: Governance of respect for human rights	
Policy commitment	
A1 What does the company say publicly about its commitment to respect human rights?	Our Commitment to Human Rights, page 6 Our Approach to Human Rights, page 9
A1.1 How has the public commitment been developed?	Our Commitment to Human Rights, page 6 Our Approach to Human Rights, page 9
A1.2 Whose human rights does the public commitment address?	Our Commitment to Human Rights, page 6
A1.3 How is the public commitment disseminated?	Our Commitment to Human Rights, page 6 Our Approach to Human Rights – Communication and Training, page 11
Embedding respect for human rights	
A2 How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	Our Approach to Human Rights – Governance and Accountability, page 9 Our Approach to Human Rights – Strategy and Policies, page 10 Our Approach to Human Rights – Risk Assessments, page 11 Our Approach to Human Rights – Communication and Training, page 11 Our Approach to Human Rights – Engagement and Collaboration, page 15 Our Approach to Human Rights – Human Rights in the Supply Chain, page 15
A2.1 How is day-to-day responsibility for human rights performance organized within the company, and why?	Our Approach to Human Rights – Governance and Accountability, page 9 Our Approach to Human Rights – Human Rights in our Supply Chain: Governance and Accountability, page 9
A2.2 What kinds of human rights issues are discussed by senior management and by the Board, and why?	Our Approach to Human Rights – Governance and Accountability, page 9 Our Approach to Human Rights – Grievance Mechanisms and Remedy, page 14 Our Approach to Human Rights – Human Rights in our Supply Chain: Governance and Accountability, page 9 Human Rights Saliency Assessment, page 19
A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	Our Approach to Human Rights – Communication and Training, page 11 Our Approach to Human Rights – Engagement and Collaboration, page 15 Our Approach to Human Rights – Responsibly Sourced Raw Materials: Training to Build Ford Purchasing Capacity, page 22 Our Approach to Human Rights – Responsibly Sourced Raw Materials: Training to Build Supplier Capacity, page 22
A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights?	Our Commitment to Human Rights, page 6 Our Approach to Human Rights – Strategy and Policies, page 10 Our Approach to Human Rights – Engagement and Collaboration, page 15 Our Approach to Human Rights – Human Rights in the Supply Chain, page 15

UN Guiding Principles Reporting Framework (UNGPRF) table 2022 – continued

UNGPRF questions	Location (section, page reference) and notes
A2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	<p>Our Approach to Human Rights – Risk Assessments, page 11</p> <p>Our Approach to Human Rights – Measuring Social Impact, page 11</p> <p>Our Approach to Human Rights – Human Rights in our Supply Chain: Assessing our Supply Chain, page 16</p> <p>Our Approach to Human Rights – Human Rights in our Supply Chain: Auditing our Supply Chain, page 17</p> <p>Our Approach to Human Rights – Responsibly Sourced Raw Materials: Progress Made in 2021 and Looking Ahead, page 23</p> <p>Case Study: Social Impact Model, page 12</p> <p>Case Study: EV Battery Raw Material Mapping and Auditing, page 19</p> <p>Case Study: Auditing our Supply Chain, page 17</p> <p>Case Study: Mexico Water Recycling, page 29</p> <p>Case Study: Empowering Women in the Copper and Cobalt Supply Chains, page 33</p> <p>Case Study: Retraining ICE Engineers, page 35</p> <p>Case Study: Factory of tomorrow, page 36</p> <p>Case Study: Engaging Tomorrow's Workforce with STEM, page 37</p> <p>Case Study: LGBTQ+ Training for New Hires, page 42</p> <p>Case Study: COVID-19, page 45</p>
Part B: Defining a focus of reporting	
Statement of salient issues	
B1 State the salient human rights issues associated with the company's activities and business relationships during the reporting period.	Salient Issues Overview, page 21
Determination of salient issues	
B2 Describe how the salient human rights issues were determined, including any input from stakeholders.	Human Rights Saliency Assessment, page 24
Choice of focal geographies (if any)	
B3 If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	<p>Salient Issues Overview – Specific geographies, page 27</p> <p>Refer to 'Who is impacted?' under each salient issue section</p>
Additional severe impacts (if any)	
B4 Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	Salient Issues Overview, page 26
Part C: Management of salient human rights issues	
Specific policies	
C1 Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	<p>Our Approach to Human Rights – Strategy and Policies, page 10</p> <p>Salient Issues Overview – Specific Policies, page 27</p> <p>Refer to 'How is Ford managing the issue?' under each salient issue section</p>
C1.1 How does the company make clear the relevance and significance of such policies to those who need to implement them?	<p>Our Approach to Human Rights – Governance and Accountability, page 9</p> <p>Our Approach to Human Rights – Strategy and Policies, page 10</p> <p>Our Approach to Human Rights – Communication and Training, page 11</p> <p>Refer to 'How is Ford managing the issue?' under each salient issue section</p> <p>Our Approach to Human Rights – Governance and Accountability, page 9</p>

UN Guiding Principles Reporting Framework (UNGPRF) table 2022 – continued

UNGPRF questions	Location (section, page reference) and notes
Stakeholder engagement	
C2 What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	
	Our Approach to Human Rights – Engagement and Collaboration, page 15
	Our Approach to Human Rights – Responsibly Sourced Raw Materials: Multi-Stakeholder Action on Human Rights and Responsible Sourcing, page 21
	Refer to 'Engagement' under each salient issue section
C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	Our Approach to Human Rights – Engagement and Collaboration, page 15
	Our Approach to Human Rights – Responsibly Sourced Raw Materials: Multi-Stakeholder Action on Human Rights and Responsible Sourcing, page 21
	Refer to 'Engagement' under each salient issue section
C2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	Our Approach to Human Rights – Engagement and Collaboration, page 15
	Our Approach to Human Rights – Responsibly Sourced Raw Materials: Multi-Stakeholder Action on Human Rights and Responsible Sourcing, page 21
	Case Study: EV Battery Raw Material Mapping and Auditing, page 19
	Refer to 'Engagement' under each salient issue section
C2.3 During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	Our Approach to Human Rights – Engagement and Collaboration, page 15
	Our Approach to Human Rights – Responsibly Sourced Raw Materials: Multi-Stakeholder Action on Human Rights and Responsible Sourcing, page 21
	Refer to 'Engagement' under each salient issue section
Assessing impacts	
C3 How does the company identify any changes in the nature of each salient human rights issue over time?	Human Rights Saliency Assessment, page 24
	Salient Issues Overview, page 26
C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	Case Study: EV Battery Raw Material Mapping and Auditing, page 19
	Case Study: Auditing our Supply Chain, page 17
	Salient Issues Overview, page 26
	Refer to 'Supply Chain' under each salient issue section
	Air Quality – How is Ford Managing the Issue, page 30
	Harassment and Discrimination – Measuring Progress, page 41
	Occupational Health, Safety and Wellbeing – How is Ford Managing the Issue, page 44
	Product Safety & Quality – How is Ford Managing the Issue, page 46
C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	Case Study: EV Battery Raw Material Mapping and Auditing, page 19
	Case Study: Auditing our Supply Chain, page 17
	Refer to 'Supply Chain' under each salient issue section
	Occupational Health, Safety and Wellbeing – How is Ford managing the issue (including COVID-19 case study), page 45
Integrating findings and taking action	
C4 How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	Our Approach to Human Rights – Governance and Accountability, page 9
	Our Approach to Human Rights – Human Rights in our Supply Chain: Governance and Accountability, page 15
	Human Rights Saliency Assessment, page 24
	Salient Issues Overview, page 26
	Refer to 'How is Ford managing the issue?' under each salient issue section

UN Guiding Principles Reporting Framework (UNGPRF) table 2022 – continued

UNGPRF questions	Location (section, page reference) and notes
C4.1 How are those parts of the company whose decisions and actions can affect the management of salient issues involved in finding and implementing solutions?	<p>Our Approach to Human Rights – Governance and Accountability, page 9</p> <p>Our Approach to Human Rights – Human Rights in our Supply Chain: Governance and Accountability, page 15</p> <p>Human Rights Saliency Assessment, page 24</p> <p>Salient Issues Overview, page 26</p> <p>Refer to 'How is Ford managing the issue?' under each salient issue section</p>
C4.2 When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	<p>Our Approach to Human Rights – Strategy and Policies, page 10</p> <p>Our Approach to Human Rights – Governance and Accountability, page 9</p> <p>Our Approach to Human Rights – Human Rights in our Supply Chain: Governance and Accountability, page 15</p>
C4.3 During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	<p>Our Approach to Human Rights – Communication and Training, page 11</p> <p>Our Approach to Human Rights – Human Rights in our Supply Chain: Assessing our Supply Chain, page 16</p> <p>Our Approach to Human Rights – Human Rights in our Supply Chain: Auditing our Supply Chain, page 17</p> <p>Our Approach to Human Rights – Responsibly Sourced Raw Materials: Beyond Conflict Mineral Due Diligence, page 18</p> <p>Our Approach to Human Rights – Responsibly Sourced Raw Materials: Training to Build Ford Purchasing Capacity, page 22</p> <p>Our Approach to Human Rights – Responsibly Sourced Raw Materials: Training to Build Supplier Capacity, page 22</p> <p>Refer to 'How is Ford managing the issue?' under each salient issue section</p>
Tracking performance	
C5 How does the company know if its efforts to address each salient human rights issue are effective in practice?	<p>Our Approach to Human Rights – Risk Assessments, page 11</p> <p>Our Approach to Human Rights – Due Diligence, page 13</p> <p>Our Approach to Human Rights – Human Rights in our Supply Chain: Assessing our Supply Chain, page 16</p> <p>Our Approach to Human Rights – Human Rights in our Supply Chain: Auditing our Supply Chain, page 17</p> <p>Refer to 'How is Ford managing the issue?' under each salient issue section</p> <p>Refer to 'Supply Chain' under each salient issue section</p>
C5.1 What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?	Refer to 'How is Ford managing the issue?' under each salient issue section
Remediation	
C6 How does the company enable effective remedy if people are harmed by its actions or decisions in relation to the salient human rights issues?	<p>Our Approach to Human Rights – Grievance Mechanisms and Remedy, page 13</p> <p>Our Approach to Human Rights – Responsibly Sourced Raw Materials: Reporting Grievances in Ford's Mineral Supply Chains, page 21</p>
C6.1 Through what means can the company receive complaints or concerns related to each salient issue?	<p>Our Approach to Human Rights – Grievance Mechanisms and Remedy, page 13</p> <p>Our Approach to Human Rights – Responsibly Sourced Raw Materials: Reporting Grievances in Ford's Mineral Supply Chains, page 21</p>
C6.2 How does the company know if people feel able and empowered to raise complaints or concerns?	<p>Our Approach to Human Rights – Governance and Accountability, page 9</p> <p>Our Approach to Human Rights – Grievance Mechanisms and Remedy, page 13</p> <p>Our Approach to Human Rights – Responsibly Sourced Raw Materials: Reporting Grievances in Ford's Mineral Supply Chain, page 21</p> <p>Case study: Auditing our Supply Chain, page 17</p> <p>Case study: EV Battery Raw Material Mapping and Auditing, page 19</p>
C6.3 How does the company process complaints and assess the effectiveness of outcomes?	<p>Our Approach to Human Rights – Grievance Mechanisms and Remedy, page 13</p> <p>Our Approach to Human Rights – Responsibly Sourced Raw Materials: Reporting Grievances in Ford's Mineral Supply Chain, page 21</p>

UN Guiding Principles Reporting Framework (UNGPRF) table 2022 – continued

UNGPRF questions	Location (section, page reference) and notes
C6.4 During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	Refer to 'How is Ford managing the issue?' under each salient issue section Refer to 'Supply Chain' under each salient issue section Refer to 'Looking Ahead' under each salient issue section
C6.5 During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	Our Approach to Human Rights – Human Rights in our Supply Chain: Assessing our Supply Chain, page 16 Our Approach to Human Rights – Human Rights in our Supply Chain: Auditing our Supply Chain, page 17 Case Study: EV Battery Raw Material Mapping and Auditing, page 19 Case Study: Auditing our Supply Chain, page 17



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