

Ford of Europe

Sustainability Digest 2022



Foreword

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.

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.

We are committed to making our purpose evident in every part of our business – from the way we source our materials, to the vehicles we create, the plants we operate and the services we provide. And we can do this because we are a family-led company – a concept that is deeply rooted in our cooperation and the way we treat our customers, employees, the communities and of course the planet. As I am a third generation Ford employee, this is something that is very close to my heart and to my beliefs.

In Europe, we were proud to announce in March 2022 that we are targeting zero emissions for all vehicle sales in Europe and carbon neutrality across our European footprint of facilities, logistics and suppliers by 2035. This is a very important step in our journey to minimize Ford's impact on climate change aligned with the Paris Agreement. Climate change is a shared global challenge, and we are committed to doing our part – it's a strategic priority, one of our salient human rights issues.

Our customers, like us, want to take care of our planet. And we'll be with them every step of the way on this journey, equipping them with the vehicles they need to make a positive contribution against climate change: The coming years will see our company transform as we offer our European customers a whole new generation of seven all-electric cars and commercial vehicles by 2024. To support Ford's ambitious vehicle electrification plans we have signed an MoU to create one of Europe's largest commercial vehicle battery production sites in Turkey. We expect annual sales of our electric models in Europe to exceed 600,000 units in 2026.

The bold steps we are taking are essential. But in addition, I firmly believe that a unified approach with governments and energy providers is an absolute must: Only with a sufficient green charging infrastructure this vision of a transformed Europe can be brought to life.

An important element for the successful switch towards truly zero emissions vehicles are responsible, transparent and sustainable supply chains. We are clearly committed to improving the supply chain and strive to work with organizations that actively protect people and the planet, as our role as an automaker goes beyond just building vehicles: We help make our company and our communities more equitable, inclusive and sustainable

This European Sustainability Digest sets out some of the initiatives currently under way in Europe that will help us achieve these aspirations. It contains key facts and figures about our vehicles and our investments in state-of-the-art production facilities, as well as stories about some of the partnerships and projects we are undertaking to improve outcomes for all.

Together, these European efforts support Ford's overall global plans to significantly reduce carbon emissions and increase annual production of electric vehicles to more than 2 million by 2026. Our company plans to invest more than \$50 billion globally from 2022 through 2026 to develop these vehicles and the batteries that power them, and in doing so create thousands of new jobs within a sustainable and ethical supply chain.

This report gives a clear picture of how we are putting people and planet first as we transition to electric vehicles. Ford has a proud legacy of climate action and environmental protection. And our company strategy and sustainability goals are indelibly linked: we firmly believe that what's good for the planet is good for our customers and our business.



Stuart Southgate

Director Sustainability, Environmental and Safety Engineering,
Ford of Europe

Contents



Ford of Europe – Sustainability at a glance	1
Electric vehicle highlights	2
Charging infrastructure: building the future for consumers	3



Helping everyone contribute to the fight against climate change	4
Working with others to increase our impact	5



Energy solutions	6
Diversity, Equity and Inclusion	7

Ford of Europe

Sustainability at a glance

By 2035

Ford is targeting to be carbon neutral across its European footprint of facilities, logistics and suppliers.

7

New all-electric, fully-connected Ford passenger and commercial vehicles to be rolled out in Europe by 2024.



1.2m

Electric vehicles to be produced in Cologne over the next six years.



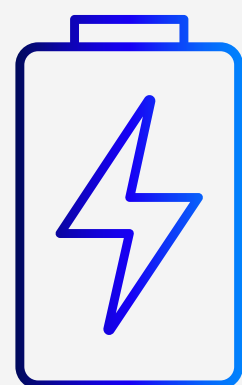
300,000

Ford Blue Oval charging points already installed in Europe.



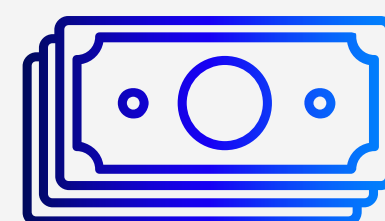
600,000

Ford electric vehicles expected to be sold annually in Europe by 2026.



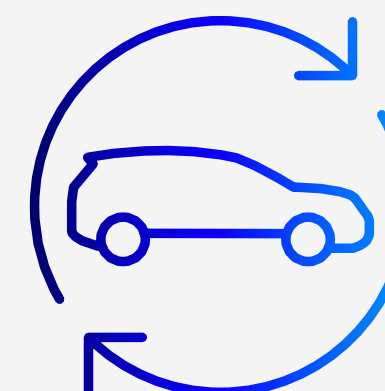
\$2bn

Investment in electric vehicle production in Cologne, Germany.



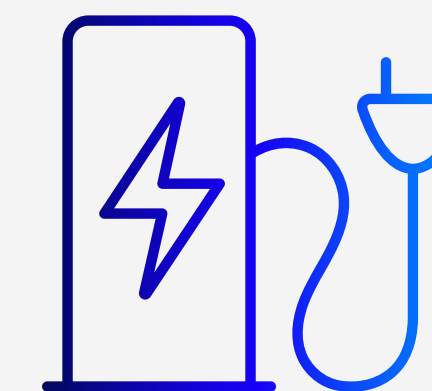
100%

of the electricity sourced at our Ford manufacturing sites in Europe is renewable.



7,000

IONITY high-power charging points to be installed across Europe by 2025.



Electric vehicle highlights

We are accelerating our rollout of electric and hybrid vehicles.

Kuga PHEV

Ford Kuga PHEV was Europe's best-selling plug-in hybrid across all brands in 2021, with more than 48,000 vehicles sold.



Mustang Mach-E

Ford Mustang Mach-E achieved 5-star green and safety ratings from independent assessors Green NCAP and Euro NCAP – the maximum ratings possible.



E-Transit

The first of Ford's all-electric E-Transit vans rolled off production lines in April 2022, with customer orders already exceeding 5,000 units. And even before the official production start, the E-Transit has already received a Gold Award from Euro NCAP for its advanced driver assistance systems.



All-electric Puma

In March 2022, we announced that customers will be able to purchase an all-electric version of the Ford Puma in 2024. The original sports utility-inspired compact crossover was Ford's best-selling passenger vehicle in Europe in 2021.



E-Transit Custom

In May 2022 Ford revealed details of the E-Transit Custom, which is designed to set a new benchmark in Europe's one-tonne van segment and help businesses across the region to effortlessly make the change to electrified vehicles. Supported by the full Ford Pro ecosystem of software and services, E-Transit Custom promises unmatched customer experience and maximum productivity.



Charging infrastructure: building the future for consumers

Recent legislative changes in the EU and UK mean that most new cars in Europe will be electric vehicles in the next 10 years. But many consumers are currently nervous about making the switch. Our 2021 Go Electric report¹, for example, found that 39% of Europeans are worried about where they can charge their electric car.

In the coming years, a massive expansion of charging infrastructure, powered by 100% renewable energy, is essential to support the shift to electric vehicles and equip consumers with the charging points they need.

At Ford, we're working to improve the charging infrastructure in Europe and give drivers confidence that they can get where they want to go.

The continued expansion of the BlueOval charging network, accessible via the Ford Pass app, is essential for our customers. With latest additions in the UK, the network reaches more than 300,000 charging points across Europe.

We're also a founding shareholder in IONITY, a charging company focused on 350 kW high-power charging stations, which has taken a leading role in this rapid transformation. In November 2021, IONITY announced a €700 million investment to accelerate expansion across Europe and more than quadruple the number of its high-power charging points to around 7,000 by 2025.

The new charging points will be situated not only on motorways, but also near major cities and along busy trunk roads. Existing sites along routes with high charging demand will also be upgraded with additional charging points.

39%

of Europeans are worried about where they could charge their electric car.



300,000

BlueOval charging points now available for Ford customers across Europe.



€700m

Investment by IONITY to quadruple the number of its high-power charging points by 2025.



1. To better understand attitudes to climate change, as well electric vehicles, Ford commissioned research of 14,000 adults across Europe in October 2021. The surveys, conducted by independent research agency OnePoll, covered respondents in the UK, Germany, Italy, Spain, France, The Netherlands, Norway, and Poland. The sample for each country was nationally representative, and the survey adhered to MRS code of standards

Helping everyone contribute to the fight against climate change

Inviting people to Park The Car

Ford is a family company and nothing is more important to us than making sure future generations can move freely and live healthily in a world without climate stress.

Moving towards an all-electric Europe is one fundamental step we need to take to achieve a better, more sustainable future. We're proud to play a leading role in this revolution and believe we all have a part to play.

Driving responsibly is no longer just about safety; it's about caring for our health and the environment too. As we try to tackle climate change, we must also think of how and when we use cars. Most urban car journeys are less than 5km. Switching even one of those journeys a day can have a huge impact; just 30 minutes of walking or cycling can help us live a healthier, longer life – as well as resulting in quieter streets, with less congestion and pollution – and less reliance on fossil fuels.

That's why, from May 2022, we're inviting people to Park The Car for journeys under 5km that can easily be made on foot or by bike instead. Together we can support healthier streets, healthier lives and a greener future for us all.



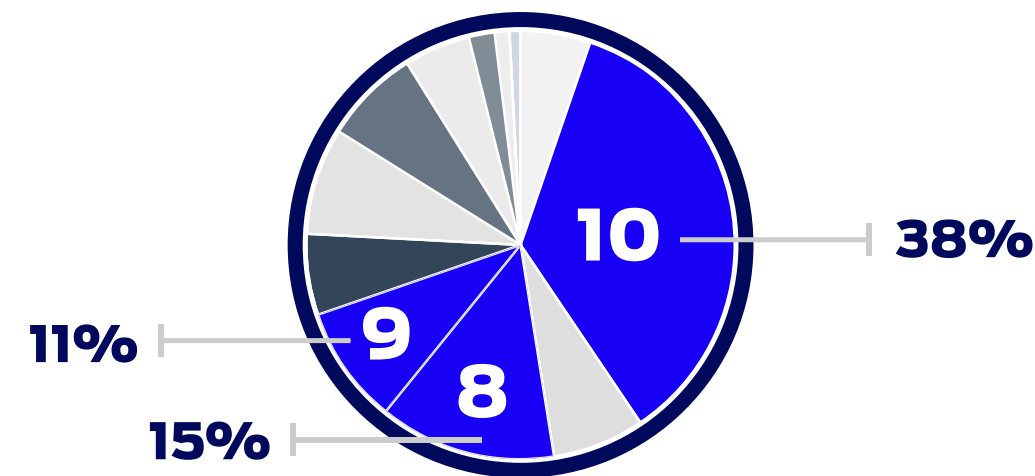
Working to understand our customers' attitudes

There is overwhelming public support for measures to curb climate change, and the European public is clear that they're willing to play their part. To better understand these attitudes, Ford commissioned research of 14,000 adults across Europe in October 2021. Carried out by research agency OnePoll, the findings revealed that climate change is a key priority.

Climate change – it's personal!

90%

Overwhelming majority (90%) of Europeans feel a level of personal responsibility in the fight against climate change.

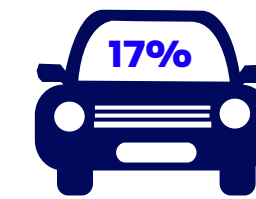


When asked to rank the importance of putting in measures to combat climate change, 64% rated it 8 or above out of 10.

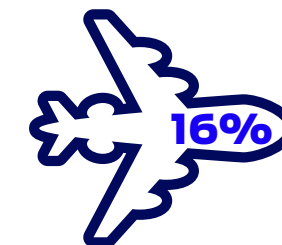
What do Europeans think is the biggest contributor to climate change?



ENERGY FOR BUSINESSES



CAR INDUSTRY



AVIATION



FARMING



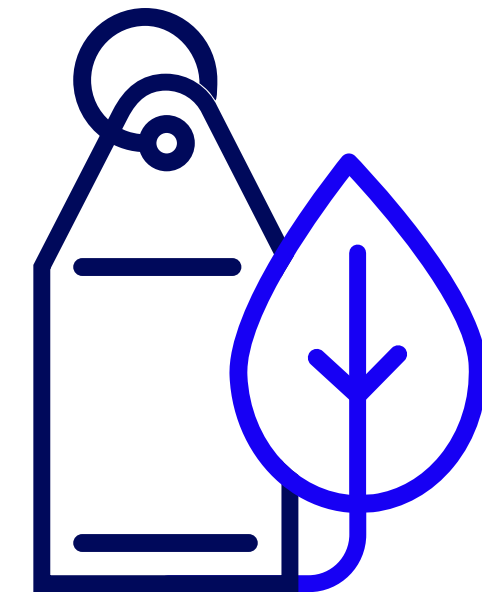
ENERGY FOR HOMES

**NOT SURE 12%
OTHER 5%**

It's not easy buying green!

86% OF PEOPLE

think it's important that they buy products from businesses that have a positive or carbon-neutral impact on the environment – with over half (56%) saying it is either very important (40%) or the most important thing they consider (16%).



Working with others to increase our impact

Fighting climate change, protecting our planet and building the green economy will require everyone working together if we are to be successful.

Ford's partnerships with other organisations can build momentum and deliver real solutions in important areas.

Calling on the EU to end sales of combustion engines by 2035

Electric vehicles already account for one-fifth of cars sold across the EU. But the sale of fossil fuel burning engines and cars will need to end by 2035 if EU lawmakers are to ensure that the last polluting cars and vans are off the road by 2050 – when Europe is required to reach net zero emissions.

Ford is among 15 car brands which have already voluntarily pledged to only sell zero emissions cars in Europe in the next decade. But it is down to EU decision makers to mirror this in firm vehicle regulation to provide planning certainty for industry, infrastructure providers and customers for the transition to electric vehicles.

In May 2022, Ford joined a broad cross-industry and NGO coalition to call on MEPs and EU governments to ensure all new cars and vans in Europe are zero emission from 2035 and help make Europe's car industry a global leader in a net zero future.



Signing the ambitious RouteZero initiative at COP26

The landmark COP26 climate summit took place in Glasgow in November 2021. At the summit, we were proud to sign up to the RouteZero initiative, a global coalition working towards 100% fully electric cars and vans globally by 2040 and in leading markets – like Europe – no later than 2035.

Ford has joined more than 50 other organisations as part of RouteZero's collaborative drive to reduce carbon associated with road transportation and deliver breakthrough electric vehicles for the many rather than the few.

COP26

Helping parcel deliveries become more sustainable with Royal Mail

In December 2021, we partnered with the UK's Royal Mail service to trial a new city-friendly approach to parcel delivery that helped reduce carbon emissions and congestion in the city of Manchester.

By using specially built parcel trolleys and Ford-designed software that identifies the most efficient delivery routes, Ford helped Royal Mail's postal workers use fewer vans and increase on-foot deliveries to a mix of high-rise, business and residential buildings in the city centre each day.

During the trial, van usage for the delivery routes decreased by 50%, while daily vehicle mileage decreased by 33%, resulting in a reduction in CO2e emissions per parcel. The trial took place ahead of Manchester launching its Clean Air Zone in 2022.



Sharing environmental best practice in our supply chains

Ford relies on thousands of suppliers to provide materials, components, and services for our vehicles. We have clear requirements that they all must meet on human rights and the environment.

We also believe supply chain responsibility is best addressed in partnership with our suppliers.

By sharing best practice, we can better understand our collective environmental footprint, set targets and reduce carbon emissions, energy consumption, water use and waste.

For instance, Ford is part of Catena-X, a network set up to establish data standards for the automotive value chain and improve data exchange between members. Just recently, we also became a founding member of the Responsible Supply Chain Initiative (RSCI). This will increase the scope of our validation processes and ensure that social compliance, employee safety and environmental protection within the supply chain meet our requirements.



Energy solutions

We're committed to reducing the environmental impacts of our operations and supply chains and are targeting to achieve 100% carbon-free electricity in all our manufacturing sites globally by 2035.

As part of this commitment, we're exploring new energy solutions in Europe and helping our dealers to make changes, too.

Also, 100 Percent of the electricity sourced at our Ford manufacturing sites in Europe is renewable.



Hydro power

In Germany, we're investigating the feasibility of generating energy from the Rhine to power our Cologne plants.

The innovative approach comes from the young local start-up called RheinSharing with whom we signed a Memorandum of Understanding: The idea is to generate renewable energy from the flow of the river Rhine and use it directly to power mobility stations to supply electric vehicles. This form of renewable energy would not only be sustainable but also low in energy loss and direct on site.

Hydro power already plays a major role at Ford in Cologne; since 2008, the Cologne plant has drawn 100% of its electricity from hydropower plants in Austria, Switzerland and Scandinavia.



Energy consulting

Back in 2018, Ford became the first automaker to offer energy consulting advice to its dealers, in an initiative supported by the German government. The federally accredited consultants record energy consumption and associated costs for our dealers at more than 200 locations and provide actionable steps for reducing both. Another essential part of the project is networking, with the dealers meeting in small groups to share best practice.

Originally intended as a three-year program, the project will now be extended, and we're excited about the results to come. We've already achieved our initial target of helping each participating dealer to avoid an average of 25 metric tons of CO2 per year. We're now expecting some locations to install solar energy systems, which could help our dealers make much greater savings and far exceed our original target.

If the planned measures are realized, these extra CO2 savings will number around 17,000 tons per year, more than three times the amount we set out to save at the start of the project. That's enough volume to inflate 1.7 billion footballs – which if laid end-to-end would circle the earth 10 times.



Diversity, Equity and Inclusion

Caring is at the heart of how we operate at Ford. We want to be a business where everyone feels they belong; supporting diversity, equity and inclusion (DEI) has been a sustained commitment of ours spanning numerous decades.

We strive to achieve this through a range of policies, practices and activities, including: robust Dignity at Work policies; listening workshops in which employees share their lived experiences; a Domestic Partnership Benefits Scheme that provides same-sex couples with equal rights in all Ford policies; inclusive leadership training; and personal objectives in DEI for every leader in our business – to name just a few.

We also have a wide range of Employee Resource Groups (ERGs), recognizing diverse groups across Europe. These ERGs – including those representing women, diverse heritage, LGBTQI+ employees, parents, carers and employees with disabilities – all provide invaluable perspectives.

They have already been playing an instrumental role internally, sharing experiences and helping to inform our people leaders and other colleagues throughout the business about DEI matters. We're now working to integrate their insights further into our everyday business operations and new projects.

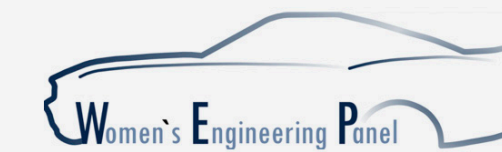
However, in as much as we are proud of what we've achieved to date, we know there's still more to do to create a truly diverse, equitable and inclusive organization. Our aspiration is to cultivate an environment where everyone feels valued and that they can bring their individual uniqueness to the workplace, and to be a diversity ally for all consumers and employees in the automotive world.



Ford of Europe's Employee Resource Groups



Ford Asian Association Europe



Find out more

To find out more about our sustainability efforts globally, you can read our latest Integrated Sustainability and Financial Report [here](#).

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