



On The Road
to Better

Helping Build a Better World

Sustainable Financing
Report 2023



sustainability.ford.com | shareholder.ford.com
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Introduction

Ford's purpose is the same today as it was when the first Model T was designed.

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

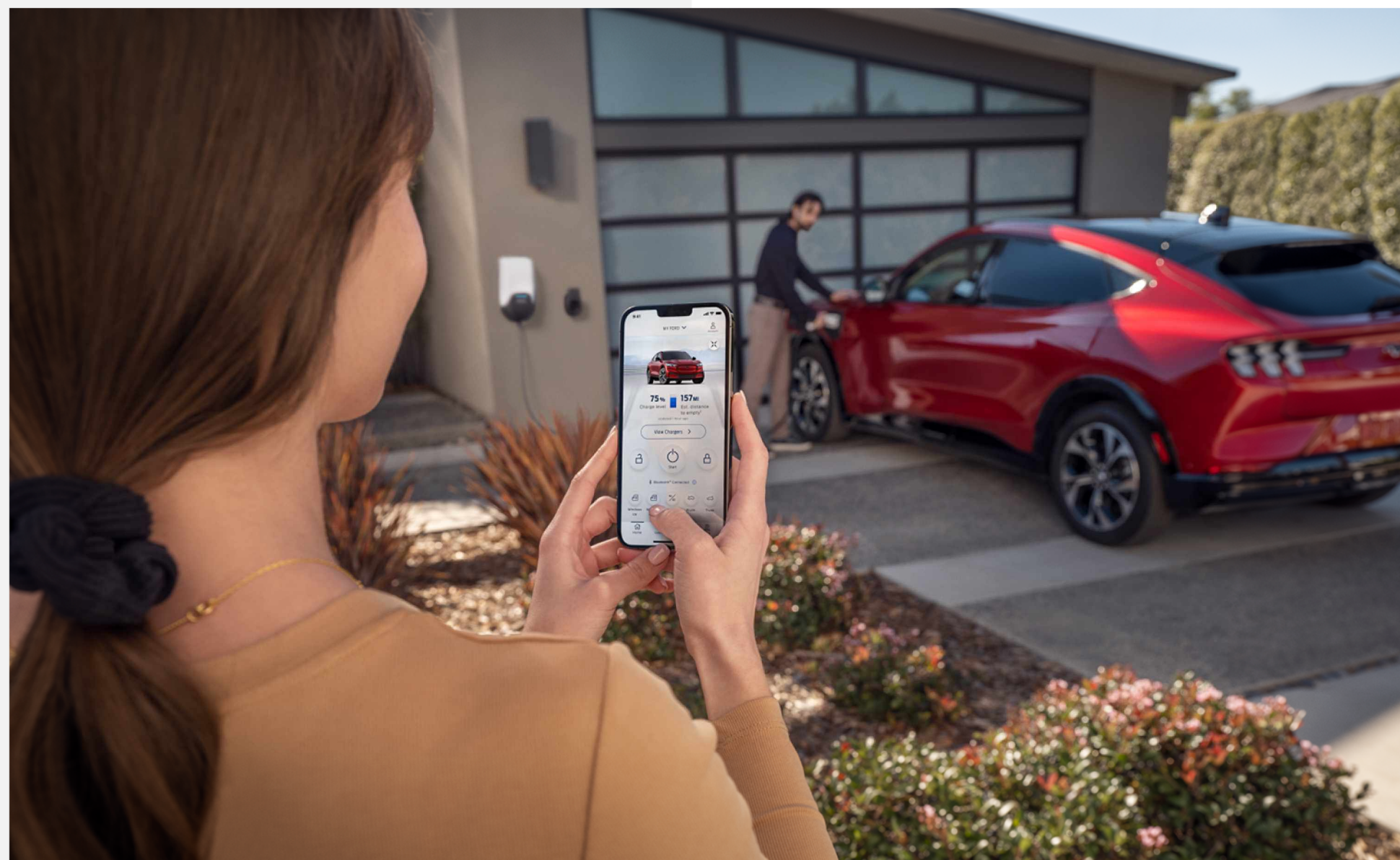
Although much about our world is changing, some things remain the same. In our 120th anniversary year, Ford still thrives on the intersection of great vehicles, innovation and culture, and a long-held belief that success depends on creating value for our customers, employees, shareholders, and all the communities we serve.

Today, our challenge is to help shape our industry's carbon-neutral future, while creating value for everyone who relies on Ford. That means bringing even greater urgency to protecting the environment, advancing social equity, and supporting a just transition to electric vehicles.

To advance these aims, in 2021 we introduced the American auto industry's first Sustainable Financing Framework, focusing on ambitious plans for electrifying our vehicles and other environmental and social initiatives. That was followed by our inaugural Green Bond in November 2021 and our second Green Bond in August 2022.

Now, we are reporting that both Green Bonds are fully allocated to our spending on EVs, and this allocation happened faster than pledged when we issued each bond.

[▶ READ MORE IN OUR SUSTAINABLE FINANCING FRAMEWORK](#)



Overview

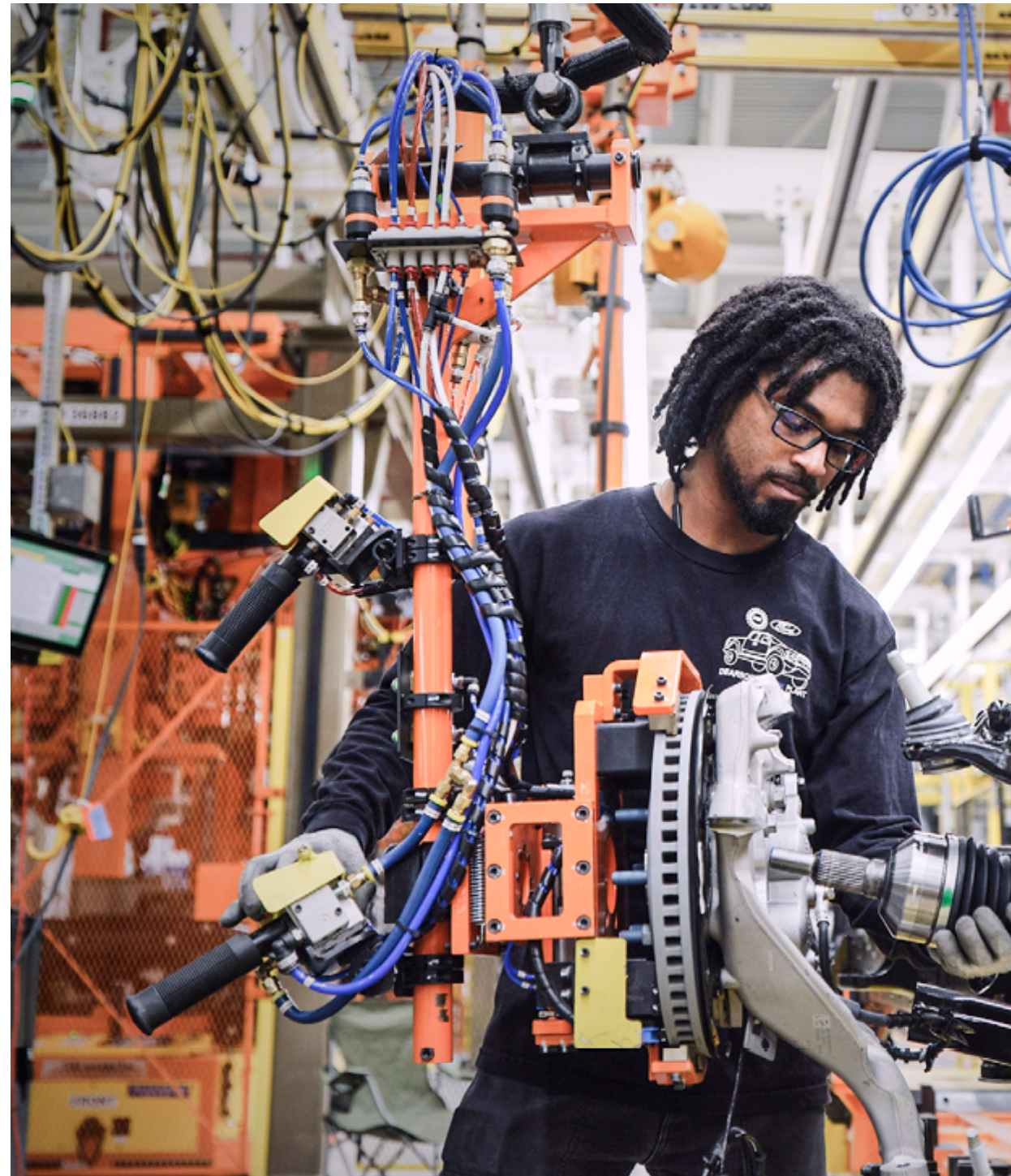
Ford's top priority is building an enduring EV business and being fully carbon neutral globally across our vehicles, facilities, and supply chain no later than 2050, and by 2035 in Europe.

Our Sustainable Financing Framework – the first of its kind covering both an automotive OEM and its captive finance company – supports the financing of environmental and social projects through various funding markets, including unsecured debt and securitization transactions. Net proceeds raised can be invested in four different areas: Clean Transportation, Clean Manufacturing, Making Lives Better, and Community Revitalization.

Our Framework achieved the highest possible “Advanced” rating from second-party opinion provider V. E. (formerly Vigeo Eiris, now part of Moody's) based on our approach to evaluating, selecting, managing, and reporting on sustainable initiatives included in the framework. In June 2022, our inaugural Green Bond was recognized by the Climate Bonds Initiative for making history as the largest non-financial corporate green bond. This remains the largest dollar green bond from a non-financial U.S. corporation to date.

This report provides an update on our sustainability initiatives and our Green Bond issuances. As used in the report, “EV” (electric vehicle) has the same meaning as “BEV” (battery electric vehicle) as used in the Prospectus Supplements related to the Green Bond issuances and our Sustainable Financing Framework.

[▶ READ MORE IN THE SECOND PARTY OPINION](#)



[AWARDS](#)

Our Green Bond won the Green Debt Instruments Category at the 7th Annual Climate Bonds Awards 2022

[▶ READ MORE](#)



Our Green Bond was a key part of Ford being named Corporate Issuer of the Year at the 2021 IFR Awards

[▶ READ MORE](#)



Our Sustainability Strategy and Aspirations

Our sustainability strategy is to make a positive contribution to society and the environment. It is at the heart of our company, and is driving us forward on the road to better.

The strategy has been created to help us achieve the Sustainability Aspirations outlined on the next page and is why Ford is acting now to produce no-compromise electric vehicles. And it is why we are aiming to reach carbon neutrality no later than 2050 globally – and in Europe by 2035 – by reducing emissions from our operations and throughout our entire supply chain, while pushing the boundaries of innovation and technology.

Ford's top priority is building an enduring EV business with a highly competitive cost structure that balances growth and profitability. The company is currently in market with our first generation EVs – Mustang Mach-E, F-150 Lightning and E-Transit – while working on our second and third generation EVs in segments which play to our strengths. Ford is facilitating early majority adoption of EVs by offering modern shopping and buying experiences and expanding the largest DC fast charging network in North America. We are creating an all-new electric vehicle manufacturing ecosystem and are working closely with our suppliers to reduce carbon emissions.

We are building a more equitable and inclusive business by focusing on making a positive impact. Through our community engagements, we are making lives better. And we are building a culture where our people feel that they belong. We are committed to leadership in human rights and the environment in every single part of our business, because fulfilling our purpose depends on it.

► [READ MORE IN THE INTEGRATED SUSTAINABILITY AND FINANCIAL REPORT 2023 ON PAGE 12](#)



Our Sustainability Strategy and Aspirations







Sustainable Financing Framework

The Sustainable Financing Framework announced in November 2021 – on the sixth anniversary of the Paris Climate Agreement – focuses on our ambitious plans in clean transportation, clean manufacturing, making lives better, and community revitalization.

An amount equal to the net proceeds from each Sustainable Financing will be used to finance or refinance, in whole or in part, new or existing environmental and/or social projects, assets, or activities of Ford or Ford Credit that meet our eligibility criteria. Ford’s and Ford Credit’s intention is to fully allocate the net proceeds of each Sustainable Financing within 24 months of its issuance. Ford has established a Sustainable Finance Committee, made up of senior leaders, to oversee the project evaluation and selection process and to ensure selected projects comply with the eligibility criteria.

Following the release of the Framework, Ford issued an inaugural Green Bond in November 2021 – a \$2.50 billion transaction which was the first for a North American automaker. This was followed by a second Green Bond of \$1.75 billion in August 2022.

All financing raised through the Sustainable Financing Framework will be allocated and invested in the following areas (for a more detailed description, please see our Sustainable Financing Framework):

Financing area	Ford	Ford Credit
<div>Clean Transportation</div> <div></div>	Investments and expenditures (including acquisition costs, research and development, and licensing costs) for the design, development and manufacturing of zero-emission vehicles that are electric vehicles (EV), fuel cell electric vehicles (FCEV) or other future carbon-neutral transportation.	Offering automotive financing products and wholesale loans for vehicles that are purchased, in whole or in part, by Ford Credit and that meet the eligibility criteria.
<div>Clean Manufacturing</div> <div></div>	Investments and expenditures related to improving the environmental footprint of our operations.	
<div>Making Lives Better</div> <div></div>	Expenditures focused on advancing economic opportunity and equity for underrepresented and/or disadvantaged populations.	Expanding access to essential services by providing automotive financing products and advancing economic opportunity and equity for all.
<div>Community Revitalization</div> <div></div>	Expenditures and investment in internal and external projects that provide support or uplift to disadvantaged communities through creating and renovating spaces to provide opportunities for economic employment and access to essential services.	

RELATED SUSTAINABLE FINANCING INITIATIVES

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

► READ MORE IN OUR SUSTAINABLE FINANCING FRAMEWORK



Allocation of Proceeds

The net proceeds from our first two Green Bonds have now been fully allocated to Clean Transportation projects and specifically to the design, development, and manufacture of our EV portfolio.

Between January 1, 2021 and June 30, 2023, \$4.21 billion¹, the total of the net proceeds of the first and second Green Bonds, were allocated.

On a combined basis, approximately 86% of the spending has been allocated to investments into specific products in our EV lineup. A significant portion of that has been spending for vehicles already available for customers now – the Mustang Mach-E, F-150 Lightning, and E-Transit. However, we have also allocated spending to vehicles that are still in the design and development phase and will be unveiled in the future.

The other 14% has been allocated to development activities that will benefit our entire EV portfolio. These investments include the development of eDrive motors that will power our existing and future EV lineup and the unique tech stack architecture required for electric vehicles. We have also allocated about \$100 million of spending to Ion Park, our Battery R&D Center in Michigan.

GREEN BOND ISSUANCES

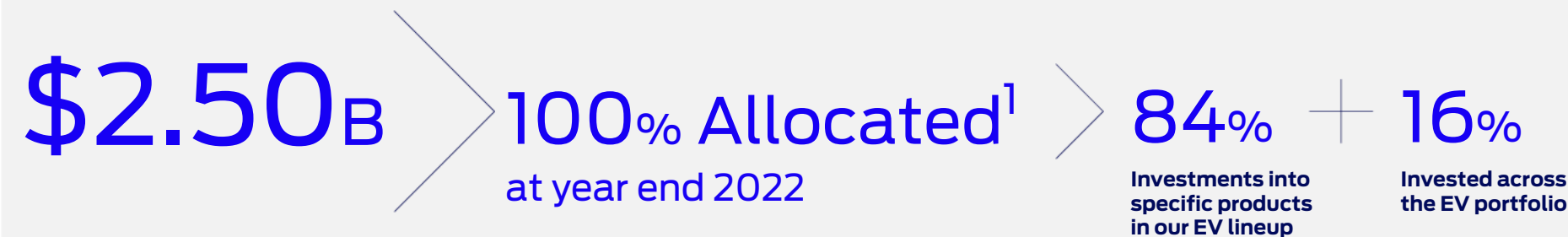
Issue	CUSIP	Issuance type	Currency	Notional (\$B)	Coupon	Issue Date	Maturity Date
Ford Motor Company	345370DA5	Senior unsecured notes	USD	\$2.50	3.25%	Nov 12, 2021	Feb 12, 2032
Ford Motor Company	345370DB3	Senior unsecured notes	USD	\$1.75	6.10%	Aug 19, 2022	Aug 19, 2032



ALLOCATION OF PROCEEDS

▶ SEE ASSUMPTIONS ON PAGE 12

Green Bond issued Nov 2021



Green Bond Issued Aug 2022

▶ SEE ASSUMPTIONS ON PAGE 12



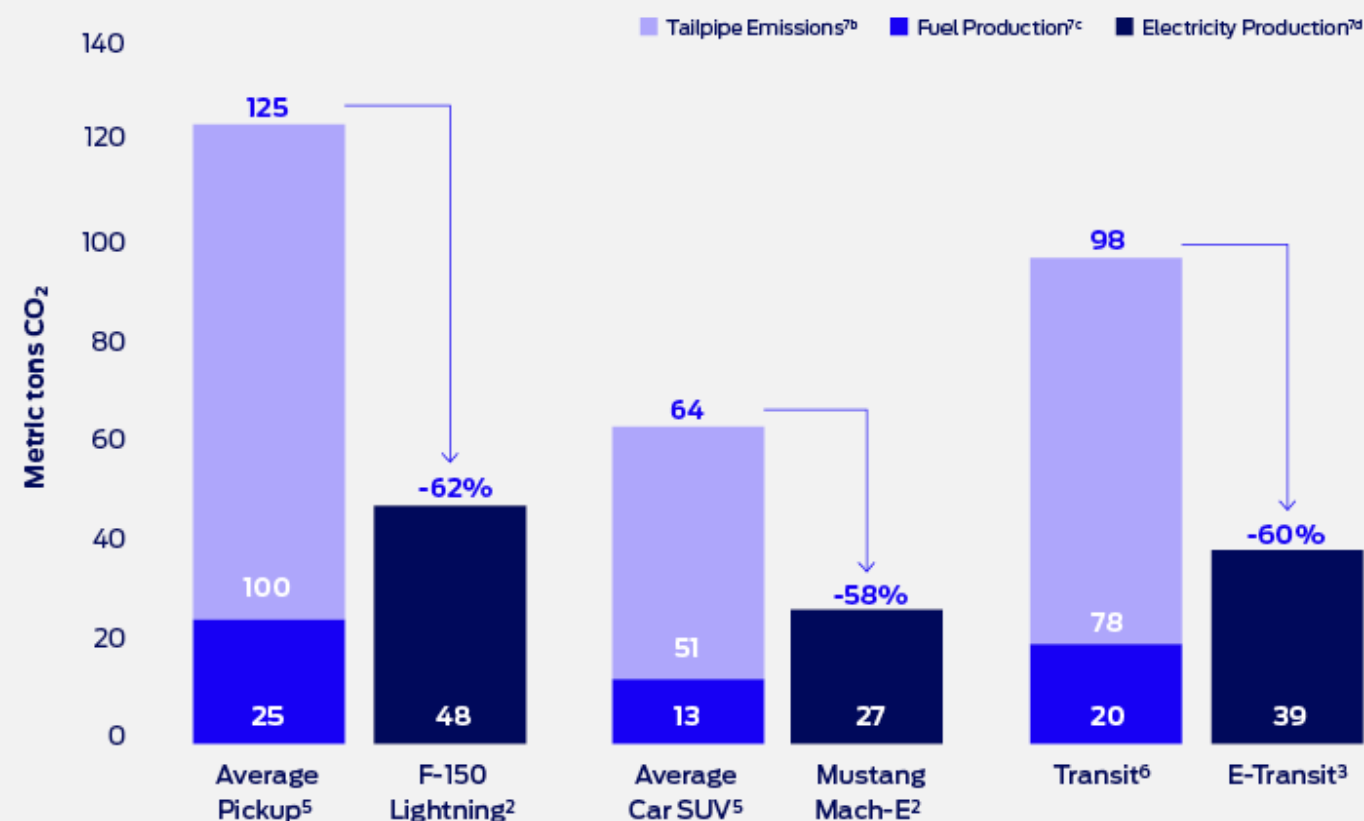
Impact of Investments

Sustainable financing helps Ford to build a better world and reduce the environmental footprint of our vehicle portfolio. Here are some examples of how the financing we allocated makes an impact:

Driving a Ford EV^{2,3} that is charged using U.S. grid-average electricity⁴ can reduce carbon dioxide emissions by as much as 62% compared to driving a similar internal combustion engine vehicle (ICEV)^{5,6}. The savings include carbon dioxide emissions emitted during both fuel production and at the tailpipe of the ICEV, together known as well-to-wheels emissions⁷, and the production of the electricity used for charging the EV.

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

Lifetime Emissions⁷ (per vehicle)



What does this mean for the environment?

F-150 Lightning Platinum^{2,7} (ext. range)



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

77

Equivalent to gallons of gasoline not used⁸

8,664

Mustang Mach-E RWD^{2,7} (base range)



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

37

Equivalent to gallons of gasoline not used⁸

4,163

E-Transit^{3,7} (low roof)



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

59

Equivalent to gallons of gasoline not used⁸

6,639

► SEE ASSUMPTIONS ON PAGE 12

Management Assertion

Management of Ford Motor Company is responsible for the accuracy and validity of Ford Motor Company’s management assertion. Management asserts that, between January 1, 2021 and June 30, 2023, the total net proceeds of \$4.21 billion from the following issuances were allocated to Eligible Projects for Clean Transportation as set out in the “Use of Proceeds” section of the Prospectus Supplements dated November 8, 2021 and August 16, 2022 and further described below.

- November 2021 issuance of the \$2.50 billion 3.250% Notes due February 12, 2032
- August 2022 issuance of the \$1.75 billion 6.100% Notes due August 19, 2032

Management also notes the Eligibility Criteria and the time period in which the allocated spending occurred per the Prospectus Supplements dated November 8, 2021 and August 16, 2022, mentioned above, are more narrow in scope and shorter in time period than the provisions outlined in the Sustainable Financing Framework as are the time periods in which the allocated spending occurred.

CLEAN TRANSPORTATION ELIGIBILITY CRITERIA

For purposes of this assertion, Eligible Projects for Clean Transportation includes investments and expenditures, as described below, related to the design, development, and manufacturing of zero-emission EVs. As used in this management assertion, “EV” has the same meaning as “BEV” as used in the Prospectus Supplements related to the Green Bond issuances and our Sustainable Financing Framework.

- Research and development dedicated to zero-emission EVs and technology, which included testing, development of facilities, tooling, and manufacturing of zero-emission EVs;
- Manufacturing facilities, which included new facilities and upgrading or modifying current manufacturing facilities, to produce zero-emission EVs; and
- Projects related to the manufacturing and/or procurement of components for EVs such as batteries and powertrains, as well as remanufacturing and/or recycling of batteries.

► SEE PROSPECTUS SUPPLEMENTS ON PAGE 12





Report of Independent Accountants



Report of Independent Accountants

To the Management of Ford Motor Company

We have examined the accompanying management assertion of Ford Motor Company that, between January 1, 2021 and June 30, 2023, the total net proceeds of \$4.21 billion from the following issuances were allocated to Eligible Projects for Clean Transportation in accordance with the Eligibility Criteria as defined in management’s assertion.

- November 2021 issuance of the \$2.50 billion 3.250% Notes due February 12, 2032
- August 2022 issuance of the \$1.75 billion 6.100% Notes due August 19, 2032

Ford Motor Company’s management is responsible for its assertion. Our responsibility is to express an opinion on management’s assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management’s assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Only the information included in the management assertion of Ford Motor Company on page 10 is part of our examination engagement. The other information in this Sustainable Financing Report 2023 has not been subjected to the procedures applied in our examination engagement, and accordingly, we make no comment as to its completeness and accuracy and do not express an opinion or provide any assurance on such information.

In our opinion, management’s assertion is fairly stated, in all material respects.

Detroit, Michigan
November 29, 2023

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Assumptions/Footnotes

- 1

Net proceeds of \$2.48 billion from the 3.25% Notes due February 12, 2032 and \$1.73 billion from the 6.10% Notes due August 19, 2032.
- 2

The 2023 model year F-150 Lightning Platinum (ext. range) and Mustang Mach-E RWD (base range) city and highway kWh/100 mile were obtained from fuelconomy.gov/ and weighted 43% city, 57% highway to get real-world combined kWh/100 mile, following the 2022 U.S. EPA Automotive Trends Report methodology (epa.gov/automotive-trends): F-150 Lightning Platinum (ext. range) 51.2 kWh/100 miles and Mustang Mach-E RWD (base range) 33.2 kWh/100 miles.
- 3

The estimated city and highway kWh/100 miles for E-Transit (130-inch wheelbase, low roof) were analytically derived using models based on EPA test procedures and calculations for light-duty electric vehicles set forth in 40 CFR Part 600, with inputs reflecting E-Transit attributes including Average Loaded Vehicle Weight Engineering Test Weight (ALVW ETW). Applying the EPA Automotive Trends Report real-world weightings of 43% city and 57% highway, gives combined real-world 62.3 kWh/100 miles. Estimates are illustrative only and not representative of all drivers or circumstances. Actual mileage will vary based on external environment (including ambient temperature), driving behaviors, payload, vehicle use, vehicle, charging habits, lithium-ion battery age and state of health, vehicle upfits and alterations, and other factors.
- 4

The U.S. average grid emissions are 416 g CO₂e/kWh, which includes emissions from electricity generation, upstream emissions for fuel feedstock production, and transmission losses. Ref. 2022 U.S. EPA Automotive Trends report (epa.gov/automotive-trends).
- 5

The comparable internal combustion engine vehicle (ICEV) MPG are the preliminary 2022 model year segment-average real-world values for Car SUV (262 g CO₂/mile) and pickup (442 g CO₂/mile), from the 2022 U.S. EPA Automotive Trends report (epa.gov/automotive-trends).
- 6

Estimated city and highway MPG for ICEV Transit (130-inch wheelbase, low roof) were analytically derived using models based on EPA test procedures and calculations for light-duty gasoline-powered vehicles set forth in 40 CFR Part 600, with inputs reflecting 2021 3.5L PFDI gasoline-powered Transit attributes including Average Loaded Vehicle Weight Engineering Test Weight (ALVW ETW). Applying the EPA Trends Report real-world weightings of 43% city and 57% highway, gives combined real-world 17.0 MPG (523 g CO₂/mile). Estimates are illustrative only and not representative of all drivers or circumstances. Actual mileage will vary based on external environment (including ambient temperature), driving behaviors, payload, vehicle use, vehicle, charging habits, lithium-ion battery age and state of health, vehicle upfits and alterations, and other factors.
- 7

Lifetime carbon dioxide (CO₂) emissions are calculated on a well-to-wheels basis, including CO₂ from the ICEV tailpipe, ICEV fuel production, and EV electricity production.

7a

Lifetime miles for F-150 Lightning/Pickup (225,865) and Mustang Mach-E/Car SUV (195,264) are defined in 40 CFR 86.1865 12(k)(4) and for E-Transit/Transit useful life (150,000) in 49 CFR 535.5 (a)(10)(ii).

7b

Tailpipe (tank-to-wheels) CO₂ emissions are calculated from MPG by dividing 0.008887 metric tons CO₂/gallon gasoline (EPA Automotive Trends Report) by the vehicle MPG and multiplying by the lifetime miles.

7c

Fuel production CO₂ emissions (well-to-tank) are calculated by multiplying the tailpipe CO₂ by 0.25, following the 2022 U.S. EPA Automotive Trends Report methodology (epa.gov/automotive-trends).

7d

Electricity production CO₂ emissions are calculated by multiplying the EV kWh/100 miles by the electric grid CO₂-intensity 0.000416 metric tons CO₂e/kWh and multiplying by the lifetime miles.
- 8

The CO₂ savings from EVs are converted to an equivalent gallons of gasoline not used based on the EPA Greenhouse Gas Equivalencies Calculator, which applies the factor 0.008887 metric tons CO₂ per gallon of gasoline consumed. (epa.gov/energy/greenhouse-gas-equivalencies-calculator).

SUSTAINABILITY FINANCE LINKS

Framework

[Ford and Ford Credit Sustainable Financing Framework November 2021](#)

Sustainable Finance Report

[Ford Motor Sustainable Financing Report 2022](#)

Integrated Sustainability and Financial Reports

[2022 Report Helping Build a Better World](#)

[2023 Report On the Road to Better, Helping Build a Better World](#)

Prospectus Supplements

[November 2021 Green Bond](#)

[August 2022 Green Bond](#)

Ratings Report

[Second Party Opinion](#)

Awards

[Climate Bond Awards 2022](#)

[IFR Awards 2021](#)

Disclaimer

The information and opinions contained in this Sustainable Financing Report are provided as of the date of this Sustainable Financing Report and are subject to change without notice.

Statements included or incorporated by reference in this Sustainable Financing Report may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts and assumptions by our management and involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those stated. Ford cannot be certain that any expectation, forecast or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. The forward-looking statements speak only as of the date of their initial issuance, and Ford does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future or otherwise. For additional discussion, see “Item 1A. Risk Factors” in Ford’s most recent annual report on Form 10-K, as updated by Ford’s subsequent filings with the Securities and Exchange Commission.

Our registration statement (including a base prospectus) (File No. 333-236450), and accompanying prospectus supplement were filed with the SEC for any offering to which this communication relates, and can be found for free by visiting EDGAR on the SEC website at sec.gov. This presentation shall not be deemed an offer to sell or a solicitation of an offer to buy our securities.



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