



April 25, 2024

Jim Farley, CEO
Ford Motor Company
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Dearborn, MI 48126

CC: Bob Holycross, Vice President, Chief Sustainability, Environment and Safety Officer
Sue Slaughter, Director of Supply Chain Sustainability
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Dear Mr. Jim Farley,

We have been encouraged to see Ford make progress towards becoming a more sustainable company over the last few years. And as a member of the [Lead the Charge](#) coalition, we appreciate Ford's recent top ranking in the [2024 Leaderboard](#). We look forward to working with your team to strengthen Ford's efforts to build even more equitable, sustainable and fossil-free global supply chains.

We are writing to inform you that [Public Citizen](#) is launching a new campaign on April 29 that calls on Ford Motor Company to publicly declare support for decarbonizing the steel industry and concretely commit to purchasing green steel in the United States.

By way of background, Public Citizen is a nonprofit consumer advocacy organization that champions the public interest. As part of our broader Climate Program, we advocate for strong rules that advance electric vehicle (EV) adoption and campaign for major automakers to produce and market EVs and make their supply chains more equitable, sustainable, and fossil free.

Steel should be a critical focus for automakers committed to decarbonizing their supply chains. Steel represents one of the most carbon emissions-intensive industries in the world, generating between [7-9%](#) of global greenhouse gas emissions, making it equivalent to the carbon footprint of the [entire country of India](#). Steel also comprises [up to 60%](#) of a standard vehicle's body, and unlike other steel-buying industries, automakers require significant amounts of [premium, high-grade steel](#), which is primarily made in blast furnaces: the [most toxic element](#) of steelmaking. By decarbonizing steel supply chains, automakers could substantially reduce the emissions profile of their vehicles and meet their climate goals more swiftly.

In addition to warming the planet, the predominant coal-based method of steelmaking also negatively [affects the air quality and harms public health](#) of communities living near steel mills.

However, [advances](#) in steelmaking technology and the increasing availability of clean, renewable energy mean that steel can now be processed without using climate-polluting fossil fuels. As steelmakers consider whether to invest in this new technology, automakers must signal that the industry wants to procure fossil-free steel.

As a major U.S. automaker and industry leader, Ford signaling demand for fossil-free steel would not only encourage steelmakers to invest in fossil-free steelmaking technology, but also challenge other automakers to follow suit in amplifying the call for fossil-free steel. We recognize that Ford has already taken meaningful steps towards decarbonizing its steel supply chain. In particular, we note that Ford became one of the [first major automakers](#) to join the [First Movers Coalition](#) in May 2022, committing to ensuring that at least 10 percent of steel purchases will have near-zero emissions by 2030. We are also aware that Ford announced [three memoranda of understanding](#) with European steelmakers in 2022. Each of these commitments represent important progress in signaling Ford's demand for fossil-free steel.

However, these announcements are nearly two years old, and while we appreciate the commitments Ford described in its 2024 Integrated and Financial Sustainability Report, these actions do not go far enough to drive the green steel transition that humanity and our planet urgently need. In particular, the U.S. steel industry is trailing behind its European counterpart in investing in fossil-free steel technology. Although the U.S. Department of Energy announced last month that it will provide [\\$1.5 billion in funding](#) for several green steel projects in the U.S., the [majority](#) of green steel projects are launching in Europe. As of April 1, there are [9 large-scale green hydrogen direct reduced iron projects](#) in development in Europe that will begin production of low carbon steel on or before 2027, according to the [LeadIT Green Steel Tracker](#).

At the same time, several U.S. integrated steel mills are weighing the decision to invest in lower-carbon steelmaking technology or to [reline their blast furnaces](#) in the next few years. Choosing to reline their facilities will [lock in another 20 years of toxic pollution](#) for local communities, many of whom are [low-income and communities of color](#). Additionally, opting out of investing in fossil-free steelmaking technology also means that the availability of fossil-free steel in the U.S. may not be sufficient to meet demand for this type of steel over the next two decades, and it may be more difficult for Ford to procure the fossil-free steel needed to meet its First Movers Coalition and broader carbon neutrality commitments.

These reasons further underscore why we need swift and bold action now from you and other automakers. You must send a clear demand signal to U.S. steelmakers—and their investors—for fossil-free steel processed in the U.S. as a means of transforming the U.S. steel industry and preventing these harmful blast furnace relines.

Ford is well-positioned to lead the green steel transition and can do this by taking the following concrete actions:

- 1. Secure a procurement agreement for fossil-free steel.** We urge Ford to take a proactive stance by signing a binding procurement agreement by the end of 2025. Unlike existing MoUs, this agreement should commit Ford to procure, specify, or stock a minimum of 30% fossil-free steel that generates less than .4tCO₂ emissions per ton of steel, without factoring in offsets or any recycled content, by 2030. Additionally, we urge you to set interim targets to make steady progress towards achieving 100% fossil-free steel usage by 2050. This will help Ford make significant progress toward meeting its carbon neutrality goal, and by embracing this commitment, Ford can lead the industry in reducing its carbon footprint and fostering innovation in sustainable materials.

- 2. Commit to responsible sourcing practices.** In alignment with Ford's stated values of integrity and responsibility, we call on Ford to use its leverage as an OEM to raise standards for steel suppliers connected to human rights violations or the exploitation of Indigenous lands and People. Ford must also commit to implementing corrective and remedy actions for human rights abuses perpetrated by its suppliers. By prioritizing partnerships with suppliers that uphold ethical standards, Ford can also demonstrate its dedication to respecting human rights and environmental justice.

We firmly believe that by embracing these demands, Ford can solidify its position as a leader in sustainability, set a precedent for the auto industry as a whole, and help usher in a new era of fossil-free steelmaking in the U.S. and globally. Our team and the broader Lead the Charge network stands ready to support and collaborate with Ford in achieving these goals.

We look forward to your response and to the opportunity to work together towards a more sustainable and equitable future for all.

Sincerely,

Carly Oboth
Public Citizen