



FORD MOTOR COMPANY LIMITED

GENDER AND ETHNICITY PAY GAP REPORT

2022

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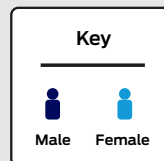
WHAT IS GENDER PAY GAP REPORTING?

Gender Pay Gap reporting seeks to explain the difference in the pay of male and female employees, according to a series of measures as defined by the UK Government.

What measures must be reported?

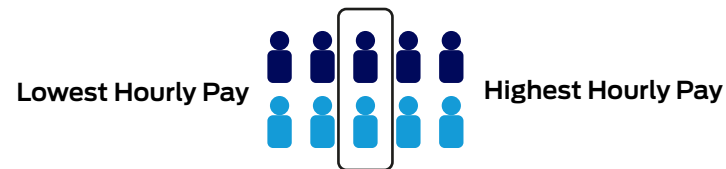
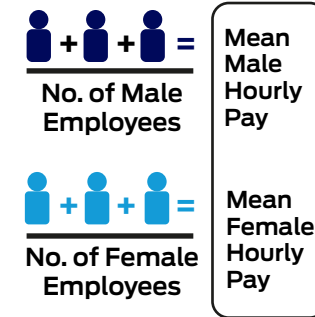
Since April 2017, organisations with over 250 employees must report annually:

- The difference in the **Mean** and **Median** Pay of male and female employees - the Gender Pay Gap
- The difference in the **Mean** and **Median** Bonus Pay of male and female employees - the Gender Bonus Pay Gap
- The proportion of male and female employees who receive a Bonus
- The percentage of male and female employees in each **Pay Quartile**



What is Mean Pay?

We add together the hourly pay for all male employees, then divide by the number of male employees. We do the same for all female employees and then compare the average (or mean) hourly pay.*

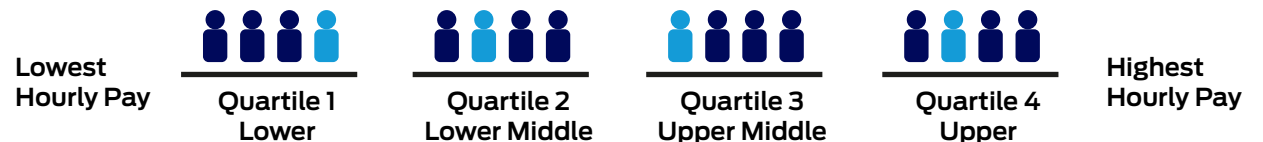


What is Median Pay?

We rank all male employees in order of their hourly pay. We do the same for all female employees, and then compare the pay of the “middle female” and the “middle male”.*

What is a Pay Quartile?

We rank the workforce from lowest to highest paid, then split into four equal groups (quartiles), and state the percentage of men and women in each group.



Please note: we recognise that gender pay is a binary reporting measure and as an inclusive employer, we understand that employees who identify as non-binary or gender fluid may not feel represented in a way that reflects their identity in this report. We wish to reiterate our support for all employees irrespective of gender and our ongoing commitment to creating an inclusive organisation.

*The same principles apply in calculating Mean and Median Bonus Pay gaps, and in calculating our Ethnicity Pay Gap data

OUR GENDER PAY GAP

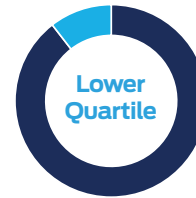
Our data shows that we have a small negative gender pay gap which means women on average earn slightly more than men. In monetary terms women earn £1.02 for every £1 men earn when comparing median hourly pay



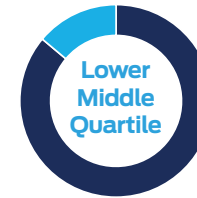
Mean



Median



Male: 87%
Female: 13%



Male: 84%
Female: 16%



Male: 86%
Female: 14%



Male: 83%
Female: 17%

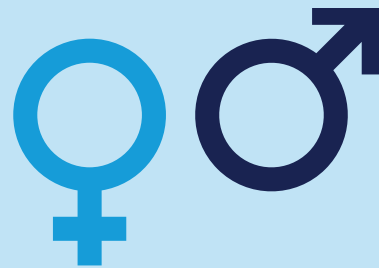
Our gender pay gap Explained:

Our negative gender pay gap can be explained by a number of factors which contribute to not only this year's gender pay gap, but also the predominately negative gender pay gaps of successive years*. These factors include:



Gender representation within Ford -

Whilst men are represented across all levels of our business from production assembly to executive positions, just under 80% of our female workforce are concentrated in staff and middle management positions. In 2022, we saw a small increase in the number of female employees joining us at a more junior entry point which has led to a more even distribution of women across our pay quartiles and a slight reduction in our overall mean and median pay gaps.



Gender balance within job roles -

within our commercial functions we see increasing gender balance. However, consistent with the broader automotive industry, we have proportionally fewer women employed within our core engineering and manufacturing sectors, where the majority of our positions are focused. This explains the small proportion of women in our overall business as reflected in our gender pay gap quartile data.



Working patterns -

to maximise the capacity of our production facilities we operate a range of shift patterns which can attract shift premiums. The rate of premium is influenced by the shift working pattern, with the most unsociable working patterns attracting the highest rates of pay. In general men are more likely to work the most unsociable hours. This can impact differences in pay between men and women in our production areas.

*A year over year gender pay gap analysis can be viewed on page 11

OUR GENDER BONUS PAY GAP

What is Bonus Pay?

Included in the calculation of our gender bonus pay gap are several different payments, including:

Recognition Awards (Bonus) – these are non-monetary small gift related awards that enable our People Leaders to immediately give individuals and teams recognition for actions taken to make a positive difference to our business. When converted to a monetary amount, the value is the same for all employees.

Innovation Awards (Bonus) – these are direct monetary awards that reward employees who suggest new and creative ways to move our business forward. Monetary amounts can vary according to the level of product innovation or increased efficiency that is realised from the suggestion. They are most likely to be associated with core business areas such as product design or manufacturing, where there is overall less gender balance in the workplace, and therefore, we tend to see more awards allocated to men than women.

Leadership / Performance Bonuses - are the more traditional awards associated with workplace bonus schemes and seek to recognise individual performance contribution to the business. They may also include monetary amounts associated with recruitment and retention. The level of bonus awarded may vary and will typically increase by leadership level.



Mean



Median

What do our results tell us?

Our data shows that in 2022, consistent with the prior year we had both mean and median negative gender bonus pay gaps, which means bonuses paid to women were higher (on average) than bonuses paid to men.

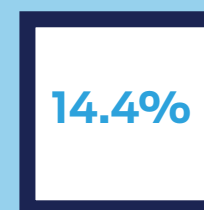
In general, only a minority of employees will receive any form of bonus. With significantly fewer women than men working in production, men are more likely to receive a wider range of bonus payments, including lower value payments linked to productivity, as well as the higher value payments more likely to be received by both men and women. This difference in the range of bonuses, combined with the overall small number of female employees within the organisation results in a negative mean bonus pay gap.

In the case of our large negative median gender bonus pay gap – this is primarily caused by differences in the type of bonus received by the median man and the median woman. Our median man received an Innovation Award, whilst our median women received a payment linked to leadership / performance, the latter being a much higher payment.

The proportion of male and female employees who receive a bonus



Male



Female

OUR ETHNICITY PAY GAP

What is Ethnicity Pay Gap Reporting?

This is the first time we are reporting our ethnicity pay gap. Unlike gender pay gap reporting, there is currently no legal requirement to report ethnicity pay gap data, however, we recognise the value such reporting can have, and as such have voluntarily decided to report on our ethnicity pay gap using the same principles as gender pay gap reporting explained on page 2. The data shown below compares the hourly pay of Asian, Black, Mixed/Multiple, Chinese or Other Minority Ethnic employees. Our ethnicity categories are aligned to the 2001 Census. Employees who were in scope for ethnicity pay gap reporting and had not shared their ethnicity with us (6%) are excluded from our data.

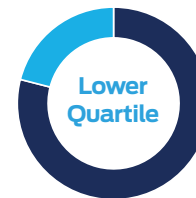
Our data shows that we have a positive ethnicity pay gap which means on average White employees earn more than employees from other ethnic groups. In monetary terms White employees earn £1.09 for every £1 that employees from all other ethnic groups combined earn, when comparing median hourly pay.



Mean



Median



White: 79%
All other ethnic groups: 21%



White: 80%
All other ethnic groups: 20%



White: 83%
All other ethnic groups: 17%



White: 91%
All other ethnic groups: 9%

Our Ethnicity Pay Gap Explained:

Asian, Black, Mixed/Multiple, Chinese or Other Minority Ethnic employees make up 16% of our total workforce, with Asian employees making the largest group (10%) followed by Black employees (3%), Mixed/Multiple ethnicity employees (2%) and Chinese or Other Minority Ethnic employees (1%).

A key factor in our ethnicity pay gap results is the lack of balance in ethnicity across all levels of our business. The diversity of our organisation is significantly lower at the highest levels of management, whilst the success

of recent diverse hiring programmes also means there is increasing ethnic diversity at more junior entry points into the Company for example through apprenticeships.

Pay gaps vary by different ethnicity groups primarily due to differences in population sizes and work roles. Our small population of Chinese or Other Minority Ethnic employees are proportionality more likely to work in staff positions, when compared to Black employees, who work across both production (60%) and staff (40%) roles.

Ethnicity Pay Gap Data – in more detail:

	Asian	Black	Mixed/Multiple	Chinese or Other Minority Ethnic
Mean	8.8%	18.0%	12.3%	1.1%
Median	8.5%	17.2%	12.4%	0.4%

OUR ETHNICITY BONUS PAY GAP

What is Ethnicity Bonus Pay Gap Reporting?

In addition to reporting our ethnicity pay gap data for the first time, we have also decided to voluntarily report our ethnicity bonus pay gap data. To do this, we have used the same principles as gender bonus pay gap reporting.

The data shown below compares the bonus pay of Asian, Black, Mixed/Multiple, Chinese or Other Minority Ethnic employees against the bonus pay of White British, White Irish and Other White employees. Our ethnicity categories are aligned to the 2001 Census. Employees in scope for bonus pay gap reporting who have not shared their ethnicity with us (7%) are excluded from our data.

What is Bonus Pay?

Included in the calculation of our ethnicity bonus pay gap are several different payments, including:

Recognition Awards (Bonus) – these are non-monetary small gift related awards that enable our People Leaders to immediately give individuals and teams recognition for actions taken to make a positive difference to our business. When converted to a monetary amount, the value is the same for all employees.

Innovation Awards (Bonus) – these are direct monetary awards that reward employees who suggest new and creative ways to move our business forward. Monetary amounts can vary according to the level of product innovation or increased efficiency that is realised from the suggestion. They are most likely to be associated with core business areas such as product design or manufacturing.

Leadership / Performance Bonuses - are the more traditional awards associated with workplace bonus schemes and seek to recognise individual performance contribution to the business. They may also include monetary amounts associated with recruitment and retention. The level of bonus awarded may vary and will typically increase by leadership level.



Mean



Median

What do our results tell us?

Our data shows that we have both mean and median positive ethnicity bonus pay gaps, which means bonuses paid to White employees are (on average) higher than bonuses paid to all other ethnic groups combined.

Although we see ethnic diversity across different parts of the business, therefore providing opportunities for all employees to receive both lower (operation related) and higher (performance related) bonus payments, the lack of ethnic diversity at the highest levels of our organisation, where the greatest bonus payments are made is a primary driver of our mean ethnicity bonus pay gap.

Overall the small number of employees who received any form of bonus, which becomes extremely small when broken down by individual ethnic group, combined with differences in the value of a variable innovation bonus, account for our median ethnicity bonus pay gap.

The proportion of White and all other ethnic groups combined who receive a bonus



White



All other ethnic groups

INSPIRING THE NEXT GENERATION

As explained previously in this report, our gender and ethnicity pay gaps are primarily caused by the underrepresentation of gender and ethnic diversity within and across our business. This is a challenge, faced not just by our Company, but by the wider automotive industry.

In its recent report the Automotive Council noted that just 12% of people who work in the car business are women¹. The report also stated that “We know, anecdotally, that the predominant employee across the industry is a white male but diversity data is not consistently recorded so a full picture of the demographics is unavailable²”

We believe that to change this narrative there is a need to focus on developing and inspiring the next generation of future employees.

Through our charitable support, our educational outreach and our Company’s direct commitment to Corporate Social Responsibility, we seek to:

- Forge strong relationships with schools, colleges, universities and non-profit organisations to support STEM related activities such as Primary and Secondary Engineer and the Greenpower Education Trust.
- Leverage our internal resources and community reach to provide first-hand opportunities for young people to learn more about STEM careers. This includes providing immersive workplace opportunities, internships and re-skilling opportunities through partnerships with Generations, Code First Girls and I Accelerator with EDI Careers.
- Recognise the valuable contribution our talented diverse workforce hold as role models in dispelling stereotypes and broadening career aspirations for young people through their engagement as STEM and Development Ambassadors.



What’s changed since the last Report?

Our commitment to developing young people is part of a long- term strategy and therefore our engagement with outreach partners often continues from year to year, rather than as one- time initiatives: as we know a sustained presence enables longer lasting change.

In 2022, recognising the disparity that exists for young Black people and people with disabilities to gain valuable workplace experience, Ford formed partnerships with #10,000 Black Interns and Leonard Cheshire’s Change 100 programme to offer paid summer internships.

ATTRACTING & DEVELOPING TALENT

A key part of our Diversity, Equity and Inclusion (DEI) Strategy is a commitment to recruiting and developing a diverse workforce. This is not just the right thing to do, it is a fundamental cornerstone of how we will deliver our business goals. Ford seeks to be a diverse employer of choice by taking progressive actions that address potential inequities in our organisation and create a more inclusive environment for all. Such actions include:

Recruitment – we are committed to creating hiring processes that recruit the best talent, which includes using gender neutral language in our advertising, connecting with recruitment agencies that share our commitment to DEI and actively raising awareness of the career opportunities in our organisation with a diverse applicant base through recruitment fairs, social media, outreach and employment orientated charities. We regularly train our recruiters and use structured interviews as standard, alongside work-based assessments where appropriate to ensure robust consistency is applied.

Performance Management – we seek to measure and reward individual performance based on merit. We do this by engaging in a collaborative and transparent objective setting process, being open about how performance is measured and rewarded as well as providing ongoing training and resources to our People Leaders to avoid unconscious bias influencing decision making. We also conduct regular analysis of our performance management outcomes.

Career Progression – like many organisations, we know that diverse talent is underrepresented at the highest levels of our business. Following an external Diversity, Equity and Inclusion audit in 2021 we have established a number of work-streams. The Talent Workstream in particular works closely with our Data Analytics Team and Employee Resource Groups to quantitatively and qualitatively assess the progression of our people and address any potential barriers. Whilst our DEI Audit Analytics Workstream has increased the overall transparency of people data – allowing all employees to see directly the progress we are making.

Support Networks – we recognise the essential role our seven Employee Resource Groups play in bringing employees with specific life experiences together in a supportive community, increasing allyship and working with the Company to address all forms of inequity.

Recognition – acknowledgment is a fundamental part of driving engagement, motivation, and purpose. We have therefore established a Diversity Calendar of Events so that we can utilise key opportunities, such as International Women in Engineering Day, Black History Month, International Day of Persons with Disabilities and LGBT+ History Month to recognise and celebrate the valuable contribution a diverse workforce makes to our business. We are also proud of the external recognition many of our employees receive as internal and external role models in their fields of expertise.



What's changed since the last Report?

In 2022 a recommendation by our Talent Workstream led to the Company joining the BITC's Cross Organisational Mentoring Circles Programme for Black, Asian, and Minority Ethnic Employees. The programme has enabled our Senior Leaders to become circle mentors and a number of our employees to join mentoring circles.

We also piloted a new internal mentoring circle for female apprentices, which proved to be so successful it's been offered more widely.

CREATING AN ENVIRONMENT TO THRIVE

Our organisation strives to create a Culture of Belonging where all employees feel safe, are able to bring their whole selves to work and are respected and valued for the contribution they make. To achieve this environment requires us to take a human centred design approach, that anticipates the wants and needs of employees throughout their career life-cycle and recognises the importance of empathy and caring for each other as critical organisational behaviours. We seek to do this by:

Investing in supportive leaders - we require all People Leaders to have at least one Diversity, Equity and Inclusion objective in their annual objectives. A key focus area in 2022 required People Leaders to also complete an Inclusive Leader Certification Programme.

Engaging Ford parents - for over two decades we have offered leading maternity and adoption policies that provide enhanced pay, subsidised access to antenatal classes and dedicated specialist advisors to support employees through their parenting journey. We also offer in-house workshops to pregnant and adopting employees as well as new fathers and partners. Our workshops are designed to provide a safe informal space for parents to learn and share experiences around their changing situation, relationships, and mental health wellbeing.

Amplifying the work of our Parents' Network – the Company was proud to recently support our parenting network celebrate their 20th anniversary– an important milestone and opportunity to recognise the valuable role they play in connecting parents across the Company, providing peer to peer support and offering a buddy scheme for new parents.

Being open to flexibility - flexible working has long been viewed as a positive enabler to help support employees balance work and personal space in Ford. We take a proactive approach to different ways of working including part-time, job sharing and hybrid working. In 2022, the Company was delighted to see Samantha Fletcher and Clair Droeden recognised as internal and external jobshare role models in the Timewise Power List Awards.

Facilitating Listening Workshops – providing safe spaces for employees to talk openly about their lived experiences in relation to ethnicity, gender, disability, age and sexual orientation with senior leaders has enabled a greater understanding of the impact of exclusionary and inclusionary behaviour. We are using the insights shared through such sessions to offer additional diversity and inclusion and unconscious bias training and have recently launched a DEI Awareness Film (https://youtu.be/l_IUSnkK1BE).

Valuing wellbeing - Positive mental health is a critical factor in supporting wellbeing. Ford is proud to have more than 200 trained Mental Health First Aiders spread across all our locations to offer support and guidance alongside a range of resources including mindfulness classes, awareness events and formal training.

What's changed since the last Report?

Since the last report we have launched our Job Share Connect App – an online tool which makes it easier to find job share partners without having to rely on personal networks. The introduction of the App aligns to our intent to support greater flexibility within our business.

Recognising the negative impact that the stigma around women's health can have in enabling women to receive the support they may need, we have begun providing access to free sanitary products at many of our locations and have recently launched Menopause Awareness Training to co-inside with World Menopause Day. Our intent is to build on these activities further in 2023.





Our industry is undergoing the biggest transformation in its history. To thrive in this new environment and deliver the next generation of electrified and connected vehicles and services, we need to add capability, learn new skills, new ways of working and attract, recruit and retain the most talented people.

Diversity, Equity and Inclusion is at the heart of our transformation and as we embark on a new business journey, we are conscious of the need to increase our transparency in both the actions we are taking and how far we are along in our journey. For this reason, I am proud to confirm that for the first time alongside our gender pay gap data, we are also reporting our ethnicity pay gap data.

We know some aspects of our data are positive, whilst other aspects make sobering reading, especially in terms of the overall gender balance of our organisation and the ethnic diversity of our senior leadership, but we also know it is just as important to be open in sharing and acknowledging the challenges we have, in order to address and resolve them.

I am therefore proud of the efforts we are making to increase the diversity of our organisation through external partnerships such as with #10,000 Black Interns and Code First Girls, alongside our commitment to further the progression of diverse talent by engaging with the BITCs Cross Organisational Mentoring Circles programme for Black, Asian and Minority Ethnic employees and launching our internal Job Share Connect App.

I would like to take this opportunity to recognise all our colleagues who seek to make our workplace an inclusive environment and to say how proud I am of their contributions and achievements.

I am pleased to share with you our 2022 Gender and Ethnicity Pay Gap Report.

I also confirm that the gender and ethnicity pay gap information contained in this report is accurate.



Tim Slatter
Chair, Ford Britain

FORD'S GENDER PAY GAP YEAR ON YEAR

Our year over year data shows a consistently negative gender pay gap for the reasons already outlined in this report, with the exception of 2020 when our data was significantly impacted by the removal of 88% of our shift working staff as a result of Covid-19 furlough actions.

		2019	2020	2021	2022
The difference in Mean and Median Pay of male and female employees - Gender Pay Gap	Mean	-3.1%	1.4%	-4.8%	-3.0%
	Median	-6.0%	1.3%	-4.2%	-1.6%
The proportion of male and female employees who receive a bonus	Male	7.6%	9.7%	8.8%	10.2%
	Female	9.1%	13.1%	11.5%	14.4%
The difference in the Mean and Median Bonus Pay of male and female employees - Gender Bonus Pay Gap	Mean	-6.3%	-9.5%	-8.1%	-12.7%
	Median	-307.8%	-242.5%	-251.1%	-397.5%

