



FORD MOTOR COMPANY LIMITED

# **GENDER PAY REPORT 2020**

# 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 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**

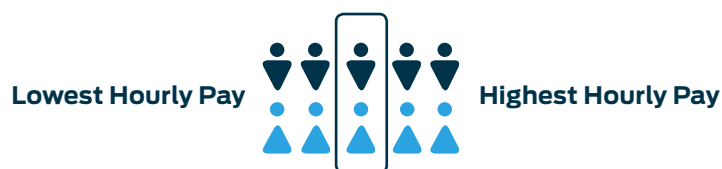
## What is Mean Pay?

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.\*

$$\frac{\text{Male Icon} + \text{Male Icon} + \text{Male Icon}}{\text{No. of Male Employees}} = \text{Mean Male Hourly Pay}$$
$$\frac{\text{Female Icon} + \text{Female Icon} + \text{Female Icon}}{\text{No. of Female Employees}} = \text{Mean Female Hourly Pay}$$

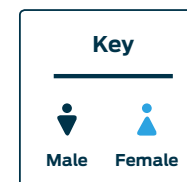
## What is Median Pay?

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.



\*The same principles apply in calculating the mean and median bonus pay gap



# GENDER PAY REPORT 2020

## FORD MOTOR COMPANY LIMITED

### The difference in Mean and Median Pay of Male and Female employees - Gender Pay Gap

|        | 2018  | 2019  | 2020 |
|--------|-------|-------|------|
| Mean   | -2.0% | -3.1% | 1.4% |
| Median | -5.2% | -6.0% | 1.3% |

The year over year low negative gender pay gap seen since 2017 has moved to a low positive gender gap in 2020. This change is partly explained by the impact of COVID-19 and the resulting furloughing of employees during the period in which gender pay data was extracted, which meant that approximately 88% of our production shift working staff were excluded from the calculations. In addition, of those that remained in scope and were non - shift workers in production, men held higher graded positions than women.

### The proportion of Male and Female employees who receive a bonus

|        | 2018   | 2019 | 2020  |
|--------|--------|------|-------|
| Male   | 17.1%  | 7.6% | 9.7%  |
| Female | 28.6 % | 9.1% | 13.1% |

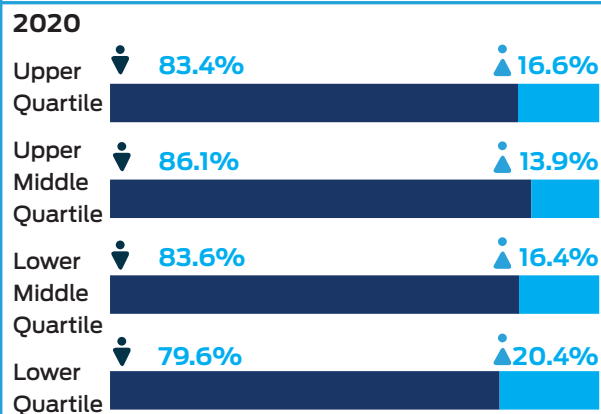
In 2020, we continue to see a higher proportion of female employees receiving a bonus than male employees within the organisation. The bonus payments included in the analysis can range from fixed amount recognition awards through to corporate bonus payments for middle and senior management. During this review period, the number of payments made in bonus awards were significantly reduced versus 2018, however we saw a marginal increase on the prior year.

### The difference in the Mean and Median Bonus Pay of Male and Female employees - Gender Bonus Pay Gap

|        | 2018  | 2019   | 2020    |
|--------|-------|--------|---------|
| Mean   | 18.4% | -6.3%  | -9.5%   |
| Median | 0.0%  | 307.8% | -242.5% |

When we review the results of the last three years, we see a noticeable change in the mean bonus gap between 2018 and the current two years (2019/2020). Year over year, the actual bonus elements paid have been different and paid to different groups which has contributed to this variation. For example, in 2018 a one-time performance management lump sum payment was made to employees, however, this payment was not made in 2019 or 2020. In 2019, the results are linked to some one-time awards made to individual employees and historical changes in our Long Term Incentive Programme for Senior Leaders (stock options) which previously had an exercise period of 10 years. In addition to some one-time hiring bonus / non-standard payments in 2020, we begin to see special payments in connection with internal restructuring actions coming through. The median gap in favour of women, can be explained by the variations in relatively low value payments associated with recognition awards and various suggestion schemes which reflects the distribution in our organisation, with the larger male population in production roles more likely to receive this type of bonus, creating a lower median bonus payment for this category.

### The percentage of Male and Female employees in each Pay Quartile



Between 2017 and 2019 our quartile data has consistently shown that women make up a small percentage of the workforce at all levels, with the highest concentration of women typically in the Upper Quartiles. This is different to our data in 2020, which shows more women occupying the lower quartiles. These results are impacted by the removal of a significant percentage of our employees due to furlough and a difference in the positions men and women occupy on day shift in production.

# CREATING TOMORROW, TOGETHER

Significantly below the 15.5% overall Gender Pay Gap for the UK, our 1.3% 2020 Gender Pay Gap results show a small positive gender pay gap that differs from the negative gender pay gap demonstrated in prior years.

Whilst this difference in our results is predominately explained by the impact of employee furlough on our data, when we look at our overall gender statistics in addition to gender pay, we recognise that our greatest challenge aligned with many organisations in the Automotive sector, continues to be a gender imbalance at all levels of our workforce.

We therefore believe, we will have the greatest impact on creating a more gender balanced workforce by taking a long term holistic approach that focuses on looking both inward; to evaluate and monitor our internal systems, policies and culture as well as outward; through utilising our organisational footprint to reach out to the communities in which we live and work, and beyond to increase awareness of the rewarding career opportunities in our industry.

Please note: we recognize 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.

## Investing in the Talent of The Future

As an organisation we have had to acknowledge for some time that our workforce does not reflect the overall gender demographics of the UK. Women make up less than 12% of our overall workforce and are most likely to join us to take up non engineering roles via a graduate pathway. Recognising our core business has been traditionally in production, engineering and more recently emergent technologies, our aspiration has been to increase the diversity of hiring in these specific areas.

However, the challenge of hiring a more diverse workforce is not simply a matter of changing the way we recruit to attract more gender diverse talent. A more complex issue is the lack of gender diversity of students taking STEM (Science, Technology, Engineering and Maths) subjects in academia.

As Engineering UK highlight in their 2020 Educational Pathways into Engineering Report:

*In the 9 years leading up to the academic year 2018 to 2019, the proportion of engineering and technology [higher education] entrants who were female has increased by 5 percentage points. But gender disparities remain stark. Just one in 5 (21%) of all engineering and technology entrants were women in 2018 to 2019, whereas they accounted for more than half (57%) of the student population overall. If trends continue at the same rate, gender equality will not be attained on these courses for another 3 decades'*

The Report's call for "those in education, government, and industry to work together to foster [ ] critical engineering and technology skills" is one that resonates with our organisation's strong commitment to outreach actions.

It is also aligned with our intention to forge long term relationships and ongoing partnerships with academic institutions, government bodies, STEM related charities and non-profit organisations. Through this work we seek to:

- challenge the misconceptions and stereotypes associated with careers in engineering and technology
- encourage young people to experience and grow in confidence in their STEM capabilities, through hands on practical application
- make clearer links between the STEM curriculum in education and its practical application in our industry
- enable young people to see broader and more diverse career opportunities open to them, beyond traditional gendered career roles.

<sup>1</sup>Engineering UK 2020 Educational pathways into engineering Report



## What's changed since the last report?

Unfortunately, much of our planned face to face activity in 2020 was significantly impacted by COVID-19, resulting in many of our outreach activities being curtailed. Despite this setback however, a number of our events moved online so that we could continue to support our key aims and connect with young people virtually during this challenging period.

A key figure in championing our move to increased online engagement was Chief Engineer Sarah Haslam MBE and our organisation was exceptionally proud to see her included in the Queen's Birthday Honours in October 2020 in recognition of her services to Engineering and promotion of STEM careers to women for more than two decades.

Sarah has been actively helping to raise awareness of STEM subjects and the career paths these can lead to, through initiatives including championing Ford female engineering volunteers to engage with local schools on classroom based engineering projects and helping to create video assets highlighting different job roles and opportunities within the industry that could be open to those choosing to further their STEM education.

# CREATING TOMORROW, TOGETHER

## Attracting and Developing Gender Diversity at All Levels

In addition to working outside our organisation to increase the gender balance of our future talent, we very much seek to look inward, to understand the career experiences of employees within our organisation. This requires reviewing and evaluating all aspects of the career life-cycle to ensure our internal processes and policies enable all employees to achieve their true potential irrespective of gender.

Aligned to many of the recommendations for employers set out by the Government Equalities Office we are taking the following actions:



### Creating inclusive recruitment:

- we use skill-based assessments in specific operational roles and structured interviews across all our recruitment activity with predefined scoring criteria.
- We also continue to review the language and images used in our adverts and provide comprehensive training to those engaged in recruitment activity, which includes ongoing unconscious bias and diversity and inclusion training.

### Ensuring objectivity in performance management:

- We have an objectives-based performance evaluation system that ensures employees have clarity on their work goals and how their performance will be measured.
- Training, support and resources are provided to our People Leaders to ensure they seek to assess individual performance on the basis of evidence-based outcomes.
- In addition, we have a structured salary grade and pay scale framework so that employees have a clear understanding of the salary ranges within our organisation.

### Evolving Diversity, Equity and Inclusion:

- For more than three decades we have had a written commitment to Equal Opportunities and recognised the importance of Diversity, Equity and Inclusion in our Company. This includes ensuring we have a national Diversity Manager with open visibility to the Ford of Britain Board and a structure of Diversity Councils that stretch across the UK to drive national and local DEI action plans.

### Retaining a focus on development and progression:

- Championed by our European CEO, we have a robust senior leadership review process for our female talent and have established mentoring programmes in many areas of our business. We have also begun to explore sponsorship opportunities to support the development of our current and future senior leaders.
- We offer a range of networking opportunities through our Women of Ford employee resource group and have a corporate partnership with Lean In to enable women to explore their personal and career aspirations.
- We embrace key dates such as International Women's Day and International Women in Engineering Day to celebrate the contribution and achievements of women both inside and outside our organisations.
- We were also proud to see 11 female employees recognised in the 2020 Autocar Great Women in the British Car Industry Awards.

## What's changed since the last report?

Over the last 12 months, we have seen an increased focus on gender diversity and male allyship championed by our most senior leaders, which has led to increased discussion and exploration of progressive actions to support change.

The Company was also pleased to welcome the appointment of Lisa Brankin as the new UK Managing Director to the Ford of Britain Board, where women now make up 33% of Director held positions. In addition, 31% of all new hires in 2020 were female, just over a 10% increase on 2019.

Reducing the gender pay gap and improving gender equality in organisations: Evidence-based actions for employers – Government Equalities Office and The Behavioural Insights Team

# CREATING TOMORROW, TOGETHER

## Creating an Environment to Thrive:

Having operated in the UK for more than a century, we recognise that one of the key ingredients of our success lies in the generations of families that have and continue to work for us.

And it is this recognition of being a family to each other that is captured in our Diversity, Equity and Inclusion (DEI) North Star “We are family. We celebrate our differences. We all belong.”

Caring for each other is a key part of our business plan and we seek to be intentional about creating a culture of belonging, where everyone feels appreciated, respected and can be their authentic selves in the workplace.

We seek to achieve this culture through providing policies, processes and working relationships that support employees throughout their careers and significant life events. These include:

### Supporting new parents by:

- Providing a range of benefits that support pregnant employees and employees undertaking adoption including dedicated advisory support, enhanced pay, subsidised antenatal care classes and parenting workshops.
- Supporting and exploring the role of working fathers and partners through offering enhanced antenatal and paternity pay combined with in-house paternity workshops that discuss parental rights, transitioning to fatherhood and mental health wellbeing
- Assisting our dedicated employee resource group for parents establish a parental buddy scheme that matches “parents to be” with more experienced parents to encourage peer to peer networking and an opportunity to learn from the experiences of others
- Offering on-site creche facilities at the Dunton Campus, our largest UK site.

### Providing flexibility to balance individual needs:

- For over two decades the Company has had a flexible working policy to provide greater choice to employees in determining their home and work-life balance, which includes part-time working, job shares, adjustable working hours and home working.
- In March we were also proud to see Sian Hodgson-Wood and Gillian Humphries recognised as part of the prestigious [Timewise 2021 Power Part- Timer List](#).

### Enabling strong employee networks:



- Employee Resource Groups are an integral part of our DEI strategy and to creating a culture of belonging. In the UK we are proud to have employee resource groups aligned to parenting, caring responsibilities, gender, ethnicity, sexual orientation, gender identity and disability.
- Although this report is primarily focused on gender as a single diverse characteristic, we very much value the wider intersectional contribution our employee resource groups make to our organisation. And as part of furthering DEI understanding, in February 2020 the Company strengthened its commitment on gender identity alongside implementing its first policy to support trans and non-binary employees transition in the workplace.

## What's changed since the last report?

Like many organisations in 2020 COVID-19 had a significant impact on our Company with many of our employees being asked to work from home. At the same time, with schools closed many working-parents have been significantly stretched by the need to home school and juggle childcare and work. These changing circumstances required our organisation to take a much more open and individualised approach to flexibility than previously offered and has inspired us to embrace a more hybrid working model going forward.





2020 has been an incredibly challenging year for each us, as individuals, as a Ford community and as a business enterprise.

Despite the personal and professional difficulties such situations create, I am incredibly proud of the way our Ford Team have responded and adapted to the unexpected demands the COVID-19 pandemic created and their resilience and determination to enable our business to continue to thrive. Our Ford Team are and always will be the reason we succeed.

It is therefore entirely necessary, that even in the midst of difficult external conditions, we have remained resolute to diversity, equity and inclusion and progressing our Gender Balance Strategy.

I would like to take this opportunity to say how proud I am of the many women who work for our organisation and thank them for the contribution they make to driving our business forward. I would also like to congratulate, those women who received external recognition in 2020, some of whom are referenced in this report and take this opportunity to thank them for being such inspiring role models both within and outside our Company.

I now welcome the opportunity to share with you our 2020 Gender Pay Gap Report which explains our gender pay gap, the challenges we face and the actions we are taking as part of our Gender Balance Strategy.

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

A handwritten signature in black ink that reads "Kieran Cahill".

**Kieran Cahill**  
Chair, Ford Britain