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.*

\[
\text{Mean Male Hourly Pay} = \frac{\text{Sum of Male Hourly Pay}}{\text{No. of Male Employees}}
\]

\[
\text{Mean Female Hourly Pay} = \frac{\text{Sum of Female Hourly Pay}}{\text{No. of Female Employees}}
\]

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.

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<tr>
<th>Quartile 1 Lower</th>
<th>Quartile 2 Lower Middle</th>
<th>Quartile 3 Upper Middle</th>
<th>Quartile 4 Upper</th>
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<tbody>
<tr>
<td>Lowest Hourly Pay</td>
<td>Highest Hourly Pay</td>
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Key
- Male
- Female

*The same principles apply in calculating the mean and median bonus pay gap
The higher mean and median pay for female employees continues to reflect their distribution in our organisation; within the smaller female population, we see proportionately more women in non-production and managerial roles. The small increase in the gender pay gap compared to 2017 is caused by a temporary fluctuation in the number of employees not meeting the criteria to be included in the calculation during the snapshot period, rather than a significant material change.

The bonus payments included in the analysis range from fixed amount recognition awards through to corporate bonus payments for middle and senior management.

During the period in question, the number of employees who received a bonus increased slightly versus the prior year. This was predominately due to a one-time performance management lump sum payment made to management employees in 2018; with a slightly higher proportion of the smaller female population receiving such an award.

The mean bonus gap is partly explained by the higher proportion of male employees in the most senior management positions. In 2018 it is also linked to the higher proportion of female managers working part-time who received the one-time performance management lump sum payment, which is pro rated for part-time employees.

The median gap can be explained by the high number of employees who received the performance management lump sum payment. Around 85% of the population who were awarded this payment received the same award value.
GO FURTHER

With a 2018 mean Gender Pay Gap of -2%, consistent with our 2017 results and an industry figure of 5.7%* that is well below the national average of 17.1%, our results can be seen to show some positive trends.

However, we also recognise that like many in our industry, our analysis identifies several challenges for us in relation to increasing the overall gender balance across our workforce, particularly in engineering and operational roles as well as at all levels.

To address the issues recognised by our Gender Pay Gap Analysis, our Action Plan will focus on short and long term actions that support developing, attracting, recruiting and retaining a more gender balanced workforce. We will do this by:

Investing in the Talent Pipeline of the Future

There continues to be a challenge in the UK in the number of young women choosing STEM careers, as exemplified in the ‘Is Britain Fairer?’ Report, 2018 that cited over 20 times the number of boys aspired to be a ‘mechanic’ or ‘builder/architect/engineer’ compared to girls.**

To increase the life choices available to all young people, we seek to share our engineering dedication, knowledge and resources by engaging in partnerships and activities that raise awareness of the range of career opportunities available in STEAM (Science, technology, Engineering, Arts and Maths). These include:

• Working closely with educational institutions and teachers at all levels of the curriculum to support development, growth and confidence in teaching and learning engineering skills.
• Sponsoring and facilitating practical and enjoyable challenges to engage young people in engineering design and development with a fun and competitive edge such as the Greenpower Education Trust which includes Formula Goblins, and Formula F24+ challenges, Primary Engineer and First Lego League.
• Forming and developing partnerships that actively promote the range of rewarding career opportunities available within our industry such as supporting the Government’s Year of Engineering Campaign in 2018, as well as working alongside the SMMT (The Society of Motor Manufacturers and Traders) to promote National Apprenticeship week.

In addition, focused specifically at supporting young women we:

• Provide the opportunity to experience directly an engineering environment, meet the talented women who work for us and and gain an insight into the types of careers available within our business, through a combination of insight days, work experience and specific large scale group activity events such as our IT Girls Day and International Women in Engineering Day. Such events provide female career role models and help to dispel occupational gender stereotypes.
• Partnered with Stemettes an award-winning social enterprise working across the UK and Ireland to inspire and support young women through a ‘Monster Confidence’ event.
• Seek to recognise and reward young female role models outside of our business, who use their enthusiasm and commitment to STEM to inspire others, by offering a Women in STEM Prize.

Next Steps:

Investing in the Talent Pipeline is a long term commitment and we know that results will only be fully realised over time, we therefore aim to continue to work with schools, colleges, universities, Government and Industry bodies over the next twelve months to support the development of engineering skills, challenge social stereotypes and promote career opportunities within STEM.

* Industry figure is from the ONS Gender Pay Gap by Industry for Manufacture of Motor Vehicles.
** Survey of 13,000 school children aged 7–11 across the UK; Education and Employers (2018), ‘Drawing the future: exploring the career aspirations of primary school children from around the world’.
Attracting and Developing Gender Diversity at All Levels

Our analysis shows that women are most likely to join us at graduate level and work in our commercial functions, from where we see good progression into management positions. However, our results tell us that we need greater gender balance across the whole of our business as well as at all levels. To drive this change we are:

• Making sure our external advertising and recruitment is representative and attractive to a gender diverse workforce by ensuring this is reflected in the case studies we provide and the gender neutral language used to describe career opportunities at Ford.

• Seeking to ensure objective decision making is the key influencer within the employee career life cycle impacting recruitment, progression and performance management through providing all recruiters and managers with regular and ongoing training in Diversity and Inclusion and unconscious bias, as well as continuing to undertake regular leadership and career development reviews, including a specific focus on female career development.

• Working with our comprehensive network of Diversity Councils that include representatives at all levels of our business and across multiple locations to develop local relevant action plans that support a diverse and inclusive environment and monitor our progress towards a more gender balanced workforce.

Next Steps:
Over the next 12 months, as our business goes through significant organisational change, we will continue to explore internal actions that drive better gender balance and understanding, including extending the use of gender neutral language, deploying new cultural awareness training and continuing to utilise internal gender metrics to measure our progress.

What’s changed since the last report?
Since the last gender pay report we have increased our focus on using gender neutral language in advertising vacancies and launched Lean In Circles as part of a new partnership. We continue to explore returner programmes and have also launched more online training in relation to unconscious gender bias.

• Working with our employee resource groups, including our Professional Women’s Network as well as building on our close external partnerships with the International Women of Excellence and more recently Lean In to further support the career development of women and provide key networking opportunities for both men and women to come together to support gender balance.

• Continuing to recognise and celebrate our wealth of female talent internally and externally through events such as International Women’s Day, Vote 100 participation and Autocar’s Great British Women in the Car Industry Awards.
GO FURTHER

Creating an Environment to Thrive:
We know that a key enabler for employees to thrive and remain in the workplace is to recognise the importance of home life and its impact on overall wellbeing. We also know that traditionally women have experienced greater responsibility for balancing home-life with work. We therefore seek to support employees through:

• Having a transparent and positive approach to flexible/agile working, that supports proactive discussions around work life balance, especially following key life changing events. We have a 95% retention rate following maternity leave.
• Seeking to tackle the stereotypes that surround flexible/agile working, by actively seeking to increase the gender balance in flexible working through reaching out to men (where the formal uptake is traditionally much lower) as well as women, through utilising natural touch points such as our in-house paternity workshops to open up the conversation.
• Providing practical solutions to assist employees balance work and parenting, for example at one of our largest Ford locations we have an onsite crèche that offers flexible opening and closing times, alongside emergency places.
• Offering networking opportunities and support such as through the Parenting and Carers Employee Resource Networks which provide peer to peer support, as well as engaging in policy development and communication.
• Offering a range of tools and resources to support positive mental health, including online and classroom courses, wellness checks and access to counselling services.

As a Female Employer of Choice we also:

• Offer comprehensive maternity policies, dedicated maternity advisors and enhanced pay as well as access to ante-natal training and parenting workshops.
• Continue to act as a founding member of the Equality and Human Rights Commission’s Working Forward initiative by seeking to implement as well as share our own examples of best practice across industries and encourage others to join with us to make the UK the best it can be for expectant mothers and new parents.

What’s changed since the last report?
Since the last report we have embarked on a flexible working consultation exercise at one of our largest UK locations and extended our already comprehensive range of flexible working options to provide additional creative ways of working. We also continue to encourage a gender balanced take up of flexible working through actions that open up the discussion to men as well as women.

Next Steps:
In the next cycle we will be exploring actions that support transitioning back to work from extended periods of leave and health related changes that can significantly impact women at key career points such as the menopause.
Ford was built on the belief that freedom of movement drives human progress.

As we look to the future and the changing needs of society, we are committed to becoming the world’s most trusted mobility company – delivering smart vehicles for a smart world. In seeking to achieve that ambition, we recognize that our past, current and future achievements lie in the incredible talent of our Ford team.

Attracting, developing and retaining a diverse and inclusive workforce is therefore a critical part of our business strategy, and will be instrumental in our success. I therefore welcome the opportunity to share with you our second Gender Pay Gap Report, the progress we have made since 2017, and the actions we plan to take in light of our data to achieve a more gender balanced workforce.

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

Graham Hoare
Chairman Ford Britain

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