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 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{Total Male Hourly Pay}}{\text{No. of Male Employees}}
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\[
\text{Mean Female Hourly Pay} = \frac{\text{Total Female Hourly Pay}}{\text{No. of Female Employees}}
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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”.*

Lowest Hourly Pay

Highest Hourly Pay

What measures must be reported?
From April 2017, organisations with over 250 employees must report:
- 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 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.

Lowest Hourly Pay
Quartile 1 Lower
Quartile 2 Lower Middle
Quartile 3 Upper Middle
Quartile 4 Upper
Highest Hourly Pay

*The same principles apply in calculating the mean and median bonus pay gap.
The higher mean and median pay for female employees reflects their distribution in our organisation; within the smaller female population, we see proportionately more women in non-production and managerial roles.

The female representation is slightly higher in the Upper Pay Quartiles, with the highest level of representation in the Upper Quartile, reflecting the fact that the highest proportion of female employees are in our management population.

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 majority of bonus payments were in the form of various recognition awards, with a slightly higher proportion of the female population receiving such an award.

The female representation is slightly higher in the Upper Pay Quartiles, with the highest level of representation in the Upper Quartile, reflecting the fact that the highest proportion of female employees are in our management population.
At Ford we are committed to the equality of opportunity. We recognise the significant value men and women bring to the workplace and the benefits of a gender balanced workforce. Our Gender Pay Report is positive for us in many respects, but also highlights the challenges we face in our organisation and our industry, specifically in relation to improving female representation. As we outline here, it emphasises the importance of our current initiatives and steers our focus to achieve a more gender balanced workforce across, and at all levels, of our organisation.

Whilst we have been able to achieve a more balanced representation of male and female employees in a number of our commercial functions, our female representation particularly in engineering and manufacturing activities continues to challenge us, as well as many other organisations immersed in these sectors.

In the UK, women make up only 1 in 8 of those in engineering occupations. Consequently, investing in the Talent of the Future is central to our desire to achieve a more gender-balanced workforce.

We are committed to sharing our engineering passion and expertise across the UK to inspire and encourage the next generation of engineers by:

- Forming positive ongoing partnerships with schools, colleges and universities via initiatives which enhance the teaching and learning experience of Science Technology Engineering Mathematics (STEM) subjects with real life applications
- Utilising our resources and facilities to support competitive and fun engineering challenges such as the Greenpower Trust, Formula Goblins and Formula 24 competitions, as well as First Lego League events
- Offering work experience, taster opportunities and career days

Particularly in support of encouraging more female students to engage in STEM we:

- Run dedicated events such as “IT Girls Day” and “International Women in Engineering Day”
- Ensure our STEM Ambassadors include female role models
- Support school careers advice events, highlighting the successes of our female apprentices
- Celebrate the contribution of young women in the UK by running an annual competition which recognises and rewards the achievements of an inspiring female STEM undergraduate who uses her skills to inspire the next generation

1 Pay Gap Closing it Together – Actions for Employers Government Equalities Office and CIPD (November 2017)
Within our organisation, we seek to provide an environment that enables all our employees to fully realise their potential. As part of our efforts to achieve improved levels of **Female Representation** in more senior levels of our organisation we:

- Utilise our network of Diversity Councils to drive diversity and inclusion actions across our business areas
- Undertake regular reviews of leadership career and development plans, with particular attention to our female talent
- Continue to roll-out inclusive training activities e.g. unconscious bias awareness
- Effectively engage in our external partnership with the International Women of Excellence, which offers regular female focused development interventions and external networking opportunities
- Celebrate the value of women in our business by supporting and encouraging a series of recognition events including International Women's Day and International Women in Engineering Day

Additionally, over the next cycle, and responding to trends identified in the report, we will be seeking to:

- Investigate “returnship” opportunities to increase the pipeline of female talent to senior roles
- Review gender monitoring activities as part of our 2018/2019 Fairness And Inclusion Review
- Build upon a recent pilot using more gender neutral language in our recruitment literature

We are also aware that flexibility, transparency and progressive policies are key enablers to being able to retain our employees throughout the various stages of their lives. We seek to do this by:

- Having a progressive flexible working policy that offers men and women a range of ways to work. 95% of our employees taking maternity leave return to work with us, and our flexible working policies are a key element in this success. Most recently we have been recognised by **Timewise** for senior job sharing opportunities and shortlisted by **WorkingMums** for Innovation in Flexible Working
- Providing on-site crèche facilities at our biggest UK location
- Recognising the value of extensive peer to peer networks, for example our Parenting Network and Carers Network

We are currently seeking to identify ways to better attract a more balanced take-up of flexible working opportunities, complementing our efforts associated with workforce agility.

In positioning ourselves as a **Female Employer of Choice**, we also offer a best in class maternity policy underpinned by maternity advisors, parenting workshops, and enhanced pay provisions.

As part of our desire to lead in best practice in this area, we are a founding member of the Equality and Human Rights Commission’s **Working Forward Initiative**.
“Diversity and inclusion are fundamental parts of our business strategy and are key to enabling our business to connect and grow in a way that supports our employees, suppliers and customers.

We recognise the benefits of a gender balanced workforce, within our organisation and our industry, and we value the new Gender Pay Gap reporting elements in focussing our on-going efforts to achieve this aim.”

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

Andy Barratt
Chairman and Managing Director, Ford of Britain
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