



FORD MOTOR COMPANY LIMITED
GENDER PAY GAP REPORT
2021

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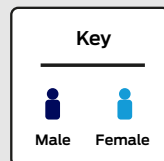
WHAT IS GENDER PAY GAP REPORTING?

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?

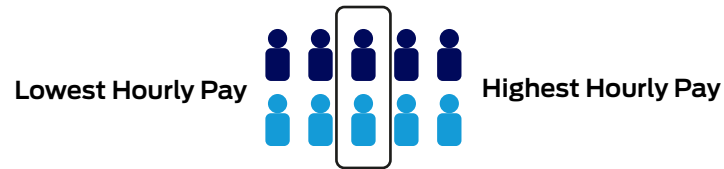
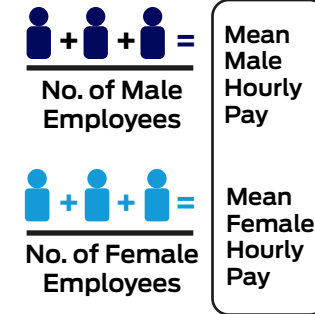
Since April 2017, organisations with over 250 employees must report annually:

- 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.*

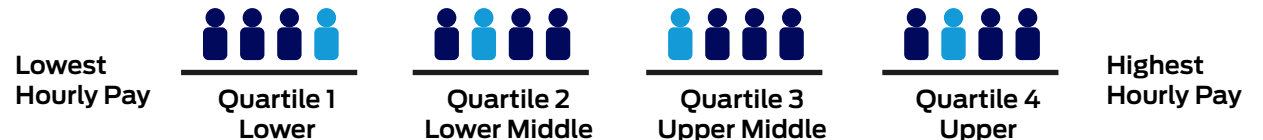


What is Median Pay?

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

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 £1.04 for every £1 that men earn when comparing median hourly pay.



Mean



Median



Male: 89%
Female: 11%



Male: 86%
Female: 14%



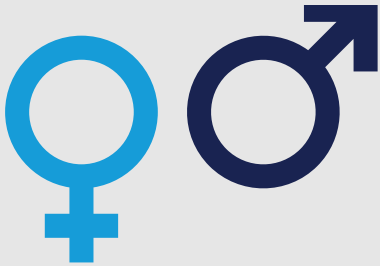
Male: 85%
Female: 15%



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, over two thirds of our female workforce hold staff or middle management positions. Women are more likely to join us at graduate or staff-entry level than at any other hiring point, and are therefore proportionally more concentrated in the higher earning quartiles of our overall business.



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.



Furlough and downtime - in 2021, during the Gender Pay Gap snapshot period, 14% of our shift working staff were affected by furlough or a temporary cessation of production caused by a parts shortage. In line with the Gender Pay Gap calculation guidelines, these employees were not included in our 2021 calculations.

*A year over year Gender Pay Gap analysis can be viewed on page 9

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 2021 we had both mean and median negative gender bonus pay gaps.

With women making up just over 12% of our total workforce, and of that figure only 11.5% of the total female workforce receiving some form of bonus, the overall number of women included in the gender bonus pay gap calculations is relatively small. This can therefore result in significant variability in our data.

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 Median Woman. Our Median Man received an Innovation Award, whilst our Median Woman received a Performance Award.

The proportion of Male and Female employees who receive a bonus



Male



Female

INSPIRING THE NEXT GENERATION

As explained previously in this report, our results suggest that our negative Gender Pay Gap is primarily caused by the underrepresentation of women in our business, which in turn is consistent with the overall lack of gender balance in our industry and in STEM (Science, Technology, Engineering and Mathematics) occupations in general.

As reported by Engineering UK in June 2021, women make up only 14.5% of all engineers in the UK¹. However, career opportunities in the STEM sector are often more highly paid, when compared to many historically female occupations.

Ford recognises the need to change this narrative, not just for our organisation or the automotive sector but to reduce the UK's overall Gender Pay Gap and it is for this reason that we take seriously our commitment to outreach.

Through the Ford Fund which forms part of our organisation's charitable umbrella 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 Athena STEM Programme with Loughborough University. Our aim is to ignite and continue to inspire interest in STEM subjects and increase understanding about the difference STEM knowledge can make to enriching peoples' lives and in finding solutions to important world issues.
- 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 experiences such as Girls into IT day and supporting Ford iAccelerator and Code First Girls.
- Support and recognise the valuable contribution our talented female workforce hold as role models in undermining negative stereotypes and broadening career aspirations for young people through their engagement as STEM and Development Ambassadors.



What's changed since the last Report?

Consistent with 2020, our face-to-face outreach activity in 2021 continued to be heavily impacted by Covid-19. However, wherever possible we have sought to engage in online activities alongside developing future plans we can deliver, as and when restrictions are lifted.

Our actions are not driven by quick wins, we know that the issues which create gender segregation in employment are complicated and extend across multiple dimensions such as societal, educational and career expectations. Our actions are therefore committed to supporting long term sustainable change.

ATTRACTING & DEVELOPING TALENT

Attracting, recruiting, developing and retaining a diverse workforce is not just the right thing to do, it leads to more creative, engaged, and higher performing businesses. Ford seeks to be a female employer of choice through taking progressive actions that address gender inequity and facilitate a more inclusive environment for all. These include:

Recruitment – we are committed to creating hiring processes that recruit the best talent, which includes using gender neutral language in our advertising and connecting with diverse organisations, such as the Women in Engineering Society, to extend our reach. 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 and irrespective of gender. We do this by engaging in a collaborative and transparent objective setting process, being transparent 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 women are underrepresented at the highest levels of our business. To address this challenge, we have set aspirational year over year gender balance goals that focus on identifying our future senior talent and creating development plans that will support them to achieve their true potential. It's an action orientated approach encouraged across all levels of the Company.

Support Networks – the importance of connection is well understood within Ford and therefore we recognise the essential role Employee Resource Groups, such as Women of Ford, play in bringing men and women together in a supportive community, increasing allyship and working with the Company to address gender inequity.

Recognition – acknowledgement is a fundamental part of driving engagement, motivation, and purpose. We therefore utilise key opportunities, such as International Women's Day and International Women in Engineering Day, to celebrate the valuable contribution our female workforce make to our business. We are also proud of the external recognition many of our female employees receive as internal and external role models in their fields of expertise.



What's changed since the last Report?

Through 2021 we embarked on a thorough Diversity, Equity and Inclusion audit conducted by external independent auditors. Primarily focused on race and gender, the audit included a deep dive analysis of our people processes and procedures as part of a wider review.

The audit also provided increased insight into our current good practices as well as opportunities for continued improvement and has resulted in the implementation of dedicated workstreams to address each of the key areas of opportunity. This will enable us to further advance our approach to attracting, recruiting, developing and retaining a diverse workforce in the coming months.

CREATING AN ENVIRONMENT TO THRIVE

Fostering an inclusive environment that enables all employees to thrive in the workplace and bring their whole selves to work is critical to our intent to create a culture of belonging at Ford.

We therefore seek to take a human-centric empathy driven approach which recognises the needs and wants of our employees at different points in their career journey and especially where work and home life interconnect.

Some of the ways we seek to do this include:

Supporting 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 inhouse workshops to both pregnant employees and 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.

Our Parents' Network also provides a valuable role 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 to balance work and personal space in Ford, and as we progress through the Covid-19 pandemic we will be providing even more opportunity to explore how and where work gets done with the implementation of hybrid working.

Valuing wellbeing

Positive mental health is a critical factor in supporting wellbeing. Ford is proud to have more than 160 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 continued to explore opportunities to hold workplace events throughout the year that facilitate open discussions around difficult subject areas such as gender stereotypes and masculinity, menopause, and periods.

Through addressing areas that are often taboo or stigmatised with the support of our Employee Networks, we seek to create an environment where our employees feel more confident to open up about their experiences and can more easily access the support they need.

In addition, we have made a global commitment to creating lactation rooms in all our new buildings, including all new facilities in the UK to ease the return of new mothers in the workplace.





Our Company's purpose is to help build a better world, where every person is free to move and pursue their dreams. It's a purpose that informs the connections we make with our colleagues, customers, suppliers, and the wider communities that surround us.

Consistent with the STEM and automotive sectors, we recognise that we have a significant lack of gender diversity across our business. This is something we are passionate about changing, through engaging in meaningful outreach activities that alter the picture not just for our organisation, but for the UK as a whole.

In this context we recognise the valuable and significant role our female workforce plays in driving our business forward and extending their influence into the wider community as role models who seek to inspire the next generation.

In turn our responsibility is to create a workplace that enables our talented female workforce to realise their potential supported by a culture that fosters inclusion and belonging.

I would like to take this opportunity to recognise all our colleagues who seek to make our workplace an inclusive environment, including all the women who work for our organisation, some of whom are featured in this report, and to say how proud I am of their contributions and achievements.

I am pleased to share with you our 2021 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, appearing to read "Tim Slatter".

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.

		2018	2019	2020	2021
The difference in Mean and Median Pay of male and female employees - Gender Pay Gap	Mean	-2.0%	-3.1%	1.4%	-4.8%
	Median	-5.2%	-6.0%	1.3%	-4.2%
The proportion of male and female employees who receive a bonus	Male	17.1%	7.6%	9.7%	8.8%
	Female	28.6%	9.1%	13.1%	11.5%
The difference in the Mean and Median Bonus Pay of male and female employees - Gender Bonus Pay Gap	Mean	18.4%	-6.3%	-9.5%	-8.1%
	Median	0.0%	-307.8%	-242.5%	-251.1%

