
FCE Bank plc

Gender Pay Report

For the 2019 Reporting Period



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Introduction

Ford Credit Bank plc (FCE) has two locations in the UK: a Head Office in Dunton, Essex, which employs approximately 500 employees, and Manchester Business Centre employing approximately 300 employees. Both of these sites are different in terms of available roles, for example, our more senior level management positions are based at FCE's Head Office in Dunton. In addition, the organisational demographics differ; Dunton has an average tenure of 13 years, with an attrition rate of 4.6%, whilst Manchester employees have an average of 5 years of service and a higher attrition rate of 18.4%. Across both sites we roughly have an equal split of male and female employees (50% female in Manchester and 47% female in Dunton)¹.

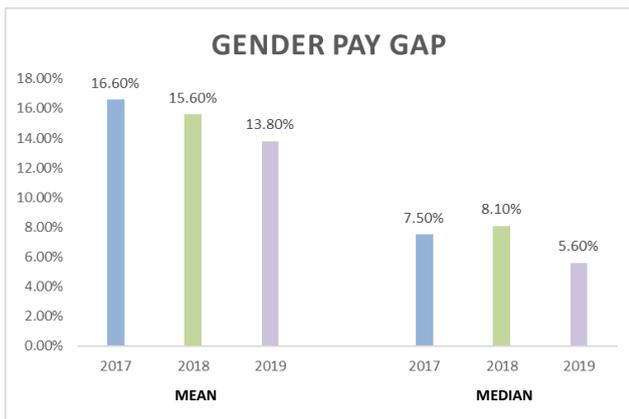
FCE is committed to equal opportunities irrespective of gender or other protected characteristics, and wants a diverse workforce that reflects its customers.

FCE has a wide range of family-friendly policies. In August 2018, FCE Dunton introduced informal flexible working options (e.g. homeworking, flexible hours) which the vast majority of employees have utilised. Approximately 20% (circa 155)¹ of the workforce has a formal flexible working arrangement, of which 74% are female employees. Other policies include enhanced Maternity and Adoptive Maternity Pay and Time off for Dependents. Of those employees taking Maternity or Adoption leave, there was a 100% return to work rate¹. This illustrates the success of these policies to retain our employees' skills and experience and provide support throughout their working lives.

What is the Gender Pay Gap?

The Gender Pay Gap is a statistical measure comparing average female earnings to average male earnings across an entire organisation. Gender pay gap statistics do not take into account differences in roles and do not compare the pay of people doing the same job.

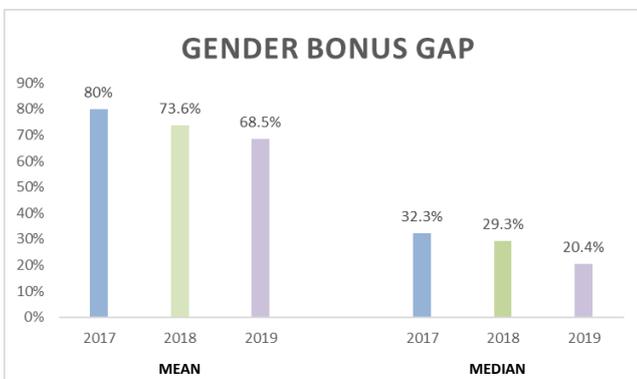
For gender pay reporting purposes, two types of average figures are used:



The Mean average - calculated by adding all of the pay values up and dividing by the number of values in the list.

The Median average - calculated by listing all pay values in numerical order, and taking the middle number on the list (or a mean average of the middle two numbers if there is an even number of values). For each type of average, the percentage gap between women and men is calculated. A positive value reflects female employees having lower pay or bonus than male employees.

The 2019 results indicate that FCE Bank has reduced the mean gender pay gap from 15.6% to 13.8%, compared to the national mean average of 16.2%² for both full and part time workers. The median gender pay gap has reduced from 8.1% to 5.6% compared to the national median average for both full and part time workers of 17.3%². The 2019 national average for Finance and Insurance companies is 32.7% and 33.7% and for mean and median respectively².



Bonus Gap: FCE Bank primarily operates three different bonus schemes which are available to different population groups; "On the Spot" recognition awards via gift vouchers (up to the value of £25), the Manchester Business Centre employee bonus plan and the senior management bonus plan (available to approximately 7% of employees¹). The mean Gender Bonus Gap has reduced further to 68.5%. The bonus gap is driven by the disproportionate number of male to female employees within senior management grades who are eligible for the corporate management bonus plan. The median similarly reduced from 29.3% to 20.4%.

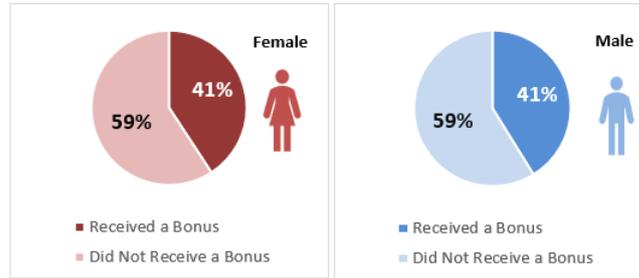
¹ As of April 2019 based on Relevant Employees
² 2019 Office of National Statistics Figures

Whilst improvements can be seen in both the Gender Pay Gap and Gender Bonus Gap and there is a positive comparison against the national averages, we recognise that we have further to go. Ongoing organisation and culture changes are expected take a number of years before we see significant and sustained improvements in the data.

¹ As of April 2019 based on Relevant Employees
² 2019 Office of National Statistics Figures

Proportion of employees receiving a bonus

The charts below show the proportions of males and females receiving a bonus from one of the three bonus schemes in FCE Bank; "On the Spot" recognition awards⁴, Manchester employee bonus plan and the senior management bonus plan.

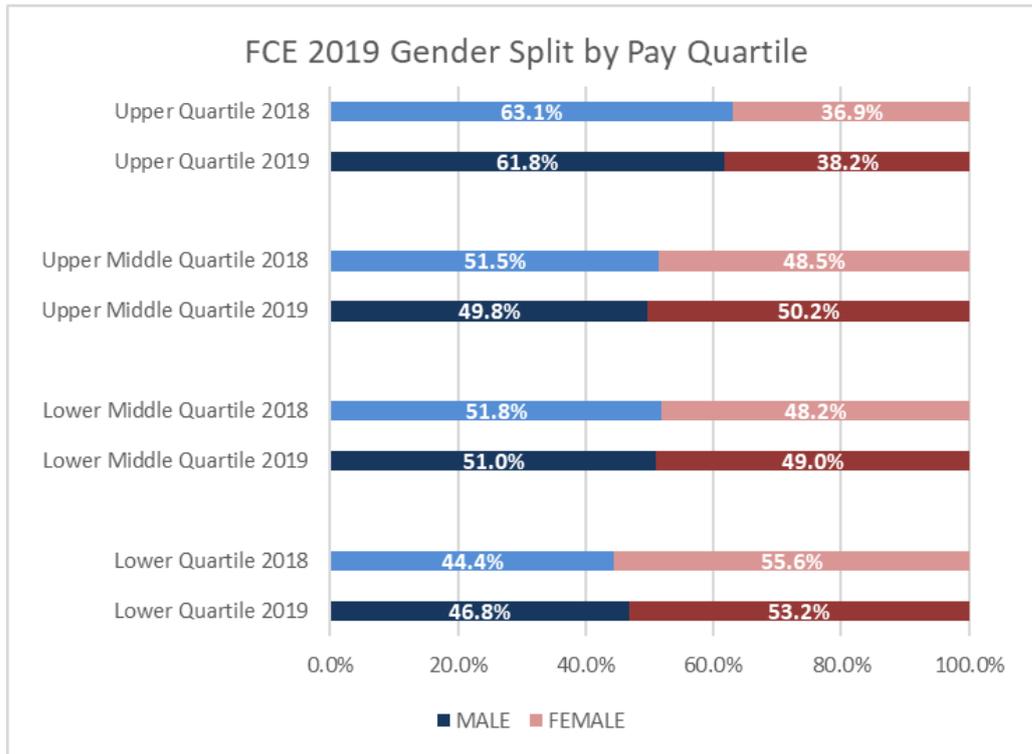


⁴On the Spot Award value is £25. An employee can receive up to two awards per year

The proportion of employees receiving a bonus reduced from 50% to 41% for males and from 52% to 41% for females, due to a one off lump sum bonus payment made in 2018 which was not repeated in 2019. The bonus amounts are on average higher amongst males versus females, due to the disproportionate number of male to female employees within senior management grades.

Proportion of males and females in each Pay Quartile

The chart below shows the proportions of male and female employees in four quartile bands in 2018 and 2019. The quartiles are determined by ranking all hourly pay from lowest to highest, and then dividing this into four equal number sections (or as close as possible to this). Visible changes in females pay can be seen in the chart below.



Equal Pay

Equal Pay is different to Gender Pay Gap reporting. Equal Pay deals with the pay differences between men and women who carry out the same job, similar jobs, or roles of equal value. It is unlawful to pay people unequally because they are a man or a woman.

FCE Bank is committed to treating employees fairly and we are confident that FCE's male and female employees are paid equally for doing jobs of equal value through a job evaluation and grading process.

What actions are we taking?

FCE is confident that there is no systematic gender bias through the employee life cycle (e.g. recruitment, pay awards) but are conscious of the underrepresentation of women at senior levels and are taking steps to address this issue.

We are building a talent pipeline that is more reflective of FCE's workforce and customer base. We have broadly equal gender representation at first level management. In 2019, 48% of our first level management positions were held by women (44% in 2018). Over time we expect the number of females in our higher management positions to increase. However given the relatively low levels of employee turnover (in particular at Dunton Head Office) and size of business, the actions we are taking will take time to significantly alter the gender pay gap. Our aim is to continue to make progress, year over year as our actions gain traction.

Since the last gender pay gap report in 2018 specific actions have included:

- Launched a new Key Talent development process, with defined career plans, and a significant increase in identified female key talent at all levels.
- Sponsored women's advancement and development via Senior Leader champions e.g. International Women's Day events, mentoring and advocacy initiatives.
- Leveraged our network of Employee Resource Groups, including the Professional Women's Network, Parenting Network, and Carers' Network, which bring great value to our employee experience
- Launched a Culture Dashboard to measure and track culture, behaviour and people-related issues, including gender and ethnicity metrics.
- Took numerous actions supporting FCE's culture priority of Diversity, Inclusion and Vibrancy e.g. workshops encouraging all employees to call out inappropriate attitudes, comments and behaviours.
- Furthered extended flexible working for women and men e.g. working from home, flexible hours – supporting employees with dependent/caring responsibilities e.g. returning from Maternity Leave, parental care.
- Continued inclusive training initiatives supporting fairness in recruitment, employee development and pay decisions e.g. Unconscious Bias training.
- Signed up to the Working Forward initiative, in partnership with the Equalities & Human Rights Commission, to support a fair and inclusive workplace where everyone can thrive.
- Commenced a programme of menopause support and information, improving the knowledge of employees and managers.
- Set gender and ethnic diversity as a top priority for 2020, as part of our continuing Diversity, Inclusion and Vibrancy initiative.

I can confirm the accuracy of the information presented above in respect of FCE required by Equality Act 2010 (Gender Pay Gap) Regulations 2017.



Charles Bilyeu
CEO – FCE Bank Plc