



Our Gender Pay
Gap Report **2017**

Our Gender Pay Gap Report 2017

We are committed to creating a culture that values and champions diversity, and is *simple, personal* and *fair* for all.

We aim to create equality of opportunity regardless of gender, age, sexual orientation, ethnicity, socio-economic background and disability. This is a commitment that starts at the very top of our organisation and flows throughout it. We are not afraid to challenge ourselves or established ways of thinking and to set ambitious targets to drive positive change.

We are also realistic about the challenges we face and the historical composition of financial services that we are seeking to change.

We are committed to overcoming this through understanding the root causes of issues, finding solutions that are both practical and beneficial to employees, and by being transparent. Through these actions we will improve diversity across the whole organisation, better representing the communities we serve.



What is the gender pay gap?

The gender pay gap shows the difference in average pay between women and men. This is different to equal pay i.e. women and men receiving the same pay for the same role.

The gender pay gap takes into account all roles at all levels of the organisation, rather than comparing pay received by women and men performing the same roles.

We regularly review and analyse our employee pay to ensure men and women are treated equally when performing the same role. We therefore are confident that we do not have equal pay issues.

Instead, our gender pay and bonus gaps reflect our organisational structure. We have proportionately more women than men in our branch and customer service centre roles, and proportionately more men in our senior leadership team. Almost the entire gender pay gap is attributable to this organisational profile.



Our gender pay and bonus gap

In terms of context, the historical composition of financial services businesses overall, together with the gender profile of our organisation at each level, are the key drivers of our figures. Relevant to the bonus gap is the high proportion of part-time females in our more junior roles versus the proportion of full-time males in our more senior roles.

For the purpose of this report, "Santander UK group" comprises the employing entities listed in the table on page 05.

Under the relevant regulations, we are required to report on each employing entity within our group which has more than 250 UK employees. In the interests of clarity and transparency, we have also chosen to provide an aggregated figure which covers the whole of the Santander UK group. We will continue to report on this basis going forward.

35.3%

The **mean** average gender pay gap in Santander UK group

29.2%

The **median** average gender pay gap in Santander UK group

69.1%

The **mean** average gender bonus gap in Santander UK group

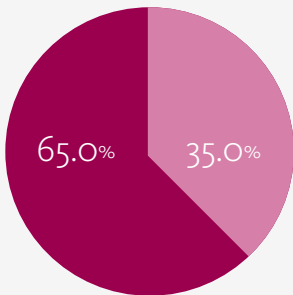
41.2%

The **median** average gender bonus gap in Santander UK group

The proportion of eligible male and female employees who received a bonus last year was **90.3% (male)** and **91.3% (female)**.

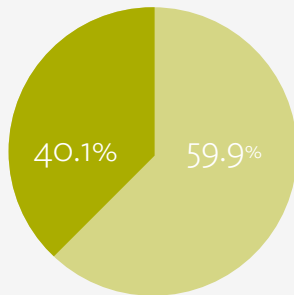
The graphs depict the pay quartiles of Santander UK group and the number of men and women within each of the four quartiles. We have proportionally more women in our customer servicing roles (reflected in the second, third and fourth quartiles). By contrast, the top quartile shows that we have proportionally more men in our management positions.

Top Quartile



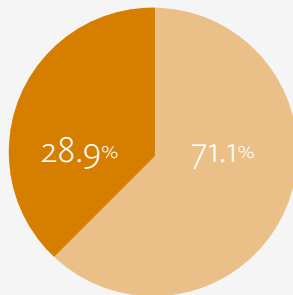
Male Female

Second Quartile



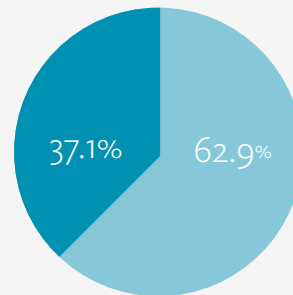
Male Female

Third Quartile



Male Female

Fourth Quartile



Male Female

Our gender pay and bonus gap disclosure

In the table below, we report separately on each of our employing companies with more than 250 employees, as required by the UK Gender Pay Gap reporting legislation. In addition, combined figures for all our reporting entities are set out in **bold** text below.

Employer	Gender pay gap (<i>mean</i>)	Gender pay gap (<i>median</i>)	Gender bonus gap (<i>mean</i>)	Gender bonus gap (<i>median</i>)	Males receiving bonus pay	Females receiving bonus pay	Top quartile		Second quartile		Third quartile		Lower quartile	
							<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>
Santander UK group*	35.3%	29.2%	69.1%	41.2%	90.3%	91.3%	65.0%	35.0%	40.1%	59.9%	28.9%	71.1%	37.1%	62.9%
Santander UK PLC**	37.1%	29.1%	71.6%	40.5%	90.3%	91.1%	64.0%	36.0%	38.4%	61.6%	28.3%	71.7%	36.8%	63.2%
Santander Consumer Finance	32.4%	22.1%	51.4%	27.9%	85.0%	82.0%	68.0%	32.0%	46.0%	54.0%	43.0%	57.0%	40.0%	60.0%
Santander Operations (<i>Geoban</i>)	10.0%	6.0%	34.0%	20.0%	90.0%	93.0%	44.0%	56.0%	36.0%	64.0%	29.0%	71.0%	41.0%	59.0%
Santander Technology Engineering (<i>Isban</i>)	10.7%	10.2%	20.0%	14.2%	99.7%	99.3%	79.0%	21.0%	73.9%	26.1%	66.4%	33.6%	58.8%	41.2%
Santander Technology Platform (<i>Produban</i>)	11.9%	12.1%	17.1%	17.8%	88.6%	93.9%	87.1%	12.9%	87.9%	12.1%	82.9%	17.1%	71.4%	28.6%

*Which comprises Santander UK and other Santander employing entities in the UK.

**Which comprises Retail Banking, Commercial Banking, Global Corporate Banking and Corporate Centre segments.

Footnote

- Mean gender pay gap: This is the percentage difference between the mean hourly rate of pay for male employees and the mean hourly rate of pay for female employees. Mean averages are calculated by adding up all of the hourly rates of a group of people and then dividing the result by the number of people in the group.
- Median gender pay gap: This is the percentage difference between the median hourly rate of pay for male employees and the median hourly rate of pay for female employees. Median averages are calculated by listing all the pay amounts in numerical order and taking the middle amount (or, if there is an even number of amounts, the average of the two central amounts).
- Mean gender bonus gap: This is the percentage difference between the mean average bonus payment received by male employees and the mean average bonus payment received by female employees. Mean averages are calculated by adding up all of the bonus payments of a group of people and dividing the result by the number of people in the group.
- Median gender bonus gap: This is the percentage difference between the median bonus payment received by male employees and the median average bonus payment received by female employees. Median averages are calculated by listing all the bonus amounts in numerical order and taking the middle bonus amount (or, if there is an even number of bonus amounts, the average of the two central amounts).

How we are improving gender diversity

While we are confident that we don't have equal pay issues, our gender pay and bonus gaps show that we have real work to do to increase the number of women in senior leadership roles.

We aren't where we want to be and so we are taking a number of targeted actions to improve our gender diversity, these include:

Tone from the top

At board level/senior management level, women now make up 36% of our Board and 40% of our Executive Committee.

Ambitious targets

We have set an ambitious target to increase the number of women in senior management roles to 50% [+/- 10%] by 2021. While we know this is a stretch, we believe it is important to really challenge ourselves if we are to make a difference and achieve our goal.

Employee-led networks

Executive Committee sponsors lead each of our employee-led networks focused on Women, LGBT+, BAME, Disability and Parents & Carers.

One of these networks, Women in Business, specifically supports women in the bank advance in their careers. The network has a membership of over 2,350 employees, increasing by over 1,800 in the last 12 months.



Target of 50/50 equal split between male and female candidates for senior-level positions.

**Women now
make up 40%
of our Executive
Committee and
36% of
our Board.**

Understanding the root of the issue

We are sponsoring Equal Lives, a new cutting edge research project from Business in the Community (BiTC), exploring the experiences and needs of men with caring responsibilities in the UK. The research will examine the relationship between men's involvement in the family and women's progression in the labour market, as well as impactful workplace interventions and policies. Greater balance in the home between men and women would allow for women to focus on career progression, therefore staying in the labour market and advancing into senior roles. This research will be launched in autumn 2018.

Specific training programmes

We run a specialist leadership development programme for high-potential women. This nine-month programme supports career development, builds resilience, broadens networks and develops the personal brands and profiles of women in our business. Success year-on-year has seen the programme expand, with approximately 200 delegates taking part in 2017/2018.

Recruitment - gender balanced shortlists

We have a target in place of 50:50 male:female shortlists for our middle and senior management positions. Female interviewers are included for senior roles to provide a balanced view of potential candidates and avoid any bias.

Returnship Programme

The launch of the Returnship Programme which targets candidates who have been out of the workplace for two+ years has highlighted to our business leaders the value of accessing varied talent pools that we may not have typically used in the past. Typically, this pool of candidates contains women who have taken time out for caring responsibilities. Of our nine Returnees, we have eight women and one man. This programme continues to support our brand and reputation in the external market as an employer of choice for women by offering a level playing field for recruitment, development and flexible working options.

Building networks and mentoring

We actively participate in the Cross Company 30% Club mentoring programme (a mentoring scheme designed to boost the number of women on Boards). In October 2017 we nominated a further 70 mentors/mentees to join the scheme.

Our Women in Business network has grown from **550** members in January 2017 to over **2,350** members in December 2017.

Unconscious bias training

We use unconscious bias training and reverse mentoring to support leaders to make more informed decisions about attracting, recruiting, promoting and exiting their employees and how more diverse teams aid us to provide better service to our customers and clients. Our Executive Committee has already completed a reverse mentoring programme, and together with 680 leaders in the bank, have undertaken unconscious bias training.

Awards and benchmarking

Through awards and benchmarking (e.g. ENEI, Times Top 50 for Women, Working Families and BITC) we continually assess how we compare to the market.

Moving the debate forward – engaging, listening and speaking up

We actively seek to participate in forums and sponsorship opportunities to ensure we are part of the conversation – listening, understanding and working hard to enact change.

While we are making progress we are nowhere near where we want to be. My executive team and I will continue to invest our time and resources to improve diversity and inclusion at all levels in the bank.



Nathan Bostock
CEO, Santander UK

I confirm that the figures in our disclosure are accurate and have been calculated in accordance with gender pay gap reporting requirements as outlined in the legislation and accompanying guidance.



Case Study

#01



**Rebecca Cook,
Executive Director,
Santander UK Global
Corporate Bank**

“Influencing the next generation is one way we’re creating diverse teams. It’s not simply about attracting female talent at a junior level, advancing them is fundamental to the success of our business and we’re taking a longer-term view.”

We know that diverse teams are fundamental to ensuring the broadest range of perspectives, this includes gender balance.

While there is still more to do to build diverse teams and advance female talent in Santander UK Global Corporate Bank (SGCB), change has started.

As part of the Talent and Development Committee, we have the chance to identify, develop and engage future leaders in a sustainable way to drive change. Specifically through building both the Graduate and Intern Programmes at SGCB we want to create a recruitment process where people can perform in a meritocratic way, thereby facilitating a different type of working and, hopefully, a more flexible and diverse workforce.

Over the last year, we’ve seen great progress, in 2017, of the seven interns hired, four of them are female and in addition to this we have a 50/50 gender balance for our graduate programme intake.

Advancing female talent

It is not simply about attracting female talent at a junior level, advancing them is fundamental to the success of our business and we are taking a longer-term view. I’ve found that participating in development and mentoring programmes is a great way to encourage yourself to think about what you want to achieve and how you’ll do it.

It is also incredibly important to broaden your network as much as possible so that others beyond your immediate team are able to advocate for you.

Rebecca Cook is the Executive Director in the Loan Markets team and spearheaded the SGCB graduate and internship programmes. She is a mentor and Graduate Manager as well as a mentee on the Accelerating You Programme.

Case Study

#02



**Piyali Williams,
Head of Liabilities,
Corporate and
Commercial Banking**

*"It's about varied perspectives
so that the best decisions
can be reached."*

Changing mindsets takes time but at Santander UK, there is a commitment to building diverse teams. For me, it is about the best person for the job - not following the normal route - but finding talent in less obvious places. This is how I've built teams that reflect different viewpoints and skills sets.

Implementing change is something that is possible – and there is an appetite for doing things differently. I would say once you have built your credibility and have the trust of peers, it is easier to push change forward.

Confidence, proactivity and flexibility

Developing women is fundamental to strong teams and there are a several elements that are key to making this happen. I would say that mentoring and networking are all key to engaging and advancing women.

First, it's understanding where they want to go next and giving them the confidence to be proactive. Second, we need to provide opportunities for our women to share experiences and to learn, for example, through employee networks and external events.

Mentoring – whether it is informal or formal – is an important and an effective way to understand career aspirations and to better identify opportunities. Of course, it's a partnership and mentees must also proactively seek opportunities.

To fully realise opportunities requires flexibility and there has been a shift in the industry over the last few years to enable flexibility and support the demands of our lifestyles. I think the changes being implemented at Santander UK are positive and will continue to demonstrate a commitment to change.

Piyali Williams is the Head of Liabilities, Santander UK, her 21 year career has spanned across various cash management roles involving product, proposition strategy and change management. Piyali is a mentor and represents Santander UK on the 30% Club.

Case Study

#03



**Sue Douthwaite,
Managing Director,
Santander UK Business**

“It’s about seeking balance at every level in the team. It takes time but it is imperative that our people reflect the external environment in which we work and live. It’s good people sense and it’s good business sense.”

‘I’ve been involved in gender diversity for over 20 years as a result of my own career journey being challenging – particularly in the early stages. Being an advocate for change means creating a smoother path for future women leaders and supporting the next generation of talented leaders is a serious responsibility. This passion and commitment extends to both my internal and external interests.’

Santander UK has been incredibly supportive and it’s a place that is very much open to talent. However, we cannot rest on our laurels - each of us has work to do. Whether you inherit a team or you are shaping a new one, change can only come when you set the tone from the top. When building a new team recently, I ensured my leaders actively searched for balance. We try to mirror this approach at all levels and one key advantage of such a mind-set change is that the diversity brings fresh ideas and creates dynamic teams. However, one short term disadvantage is that it takes time for change to happen.

A great catalyst for my team was completing unconscious bias training – this enabled all of us to look for candidates in different places and to proactively encourage talented people to apply for roles they may not have considered. My leadership team is now approaching a 50/50 gender balance – something I’m incredibly proud of.

A strong team means we can support business leaders. We launched the Santander UK Breakthrough programme in 2011, which supports entrepreneurs by offering a suite of support beyond finance.

For female-led businesses in particular we:

- Provide a SME mentor scheme
- Host women business leader events, including Breakthrough in Branch events for early stage businesses
- Have facilitated business education programmes.

Sue Douthwaite is Managing Director of Santander UK Business and previously headed up the Banking Reform Programme for the Retail and Business Division. Prior to this she held the role of Divisional Managing Director of Corporate and Commercial.

“I have seen first-hand the value of having diversification of thought and perspectives and how this leads to better decision-making and drives stronger profitability. It is for this reason my teams are similarly encouraged to build diverse teams.”



John Carroll
Head of Products & International
Business, Santander



For further information visit www.santander.co.uk

Read more about our diversity and inclusion initiatives:
www.santanderjobs.co.uk/diversity