



Our Gender Pay
Gap Report **2018**



Our Gender Pay Gap Report 2018

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

This is our second annual gender pay gap report. We have made progress in delivering against the action plan, which we published in our inaugural 2017 report, and we are pleased that this progress can be seen in the year-on-year narrowing of our gender pay gap. However, we are still some way from where we want to be. Our focus on equality of opportunity, and on improving diversity and inclusion, across the bank continues.

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 through it. We are not afraid to challenge ourselves or our established ways of thinking 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 that 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 are therefore 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

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 that has more than 250 UK employees. In the interests of clarity and transparency, we are again providing an aggregated figure which covers the whole of the Santander UK Group.

The pay and bonus gap metrics reported here are correct as at the mandatory April 2018 snapshot date. Please note that the updates to our action plan in this document are correct at the point of publication, in order to give the most current and relevant picture of progress to date.

33.6%

The **mean** average gender pay gap in Santander UK Group, down 1.7 percentage points from our last report.

28.2%

The **median** average gender pay gap in Santander UK Group, down 1.0 percentage point from our last report.

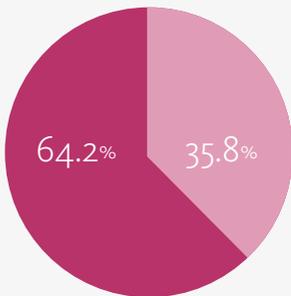
68.1%

The **mean** average gender bonus gap in Santander UK Group, down 1.0 percentage point from our last report.

40.8%

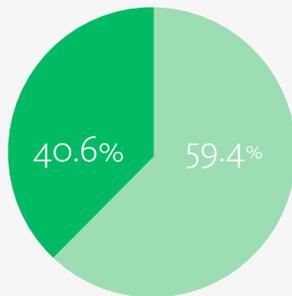
The **median** average gender bonus gap in Santander UK Group, down 0.4 percentage points from our last report.

Top Quartile



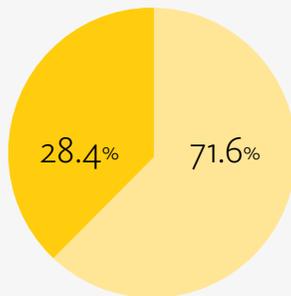
Male Female

Second Quartile



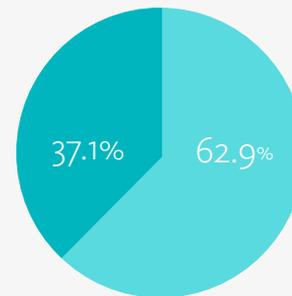
Male Female

Third Quartile



Male Female

Fourth Quartile



Male Female

The proportion of eligible male and female employees who received a bonus was **91.2% (male)** and **92.1% (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 (mean)	Gender pay gap (median)	Gender bonus gap (mean)	Gender bonus gap (median)	Males receiving bonus pay	Females receiving bonus pay	Top quartile		Second quartile		Third quartile		Lower quartile	
							Men	Women	Men	Women	Men	Women	Men	Women
Santander UK Group	33.6%	28.2%	68.1%	40.8%	91.2%	92.1%	64.2%	35.8%	40.6%	59.4%	28.4%	71.6%	37.1%	62.9%
Santander UK PLC	35.6%	28.6%	71.0%	41.1%	91.8%	92.6%	62.9%	37.1%	38.7%	61.3%	28.0%	72.0%	35.9%	64.1%
Santander Consumer Finance	32.8%	28.6%	52.6%	42.0%	83.1%	81.3%	68.7%	31.3%	49.3%	50.7%	44.2%	55.8%	34.7%	65.3%
Santander UK Operations	8.8%	5.7%	29.6%	17.2%	87.2%	90.5%	45.5%	54.5%	37.9%	62.1%	30.8%	69.2%	42.7%	57.3%
Santander UK Technology	11.1%	9.4%	9.9%	5.0%	95.4%	92.4%	85.3%	14.7%	80.2%	19.8%	71.2%	28.8%	65.9%	34.1%

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).

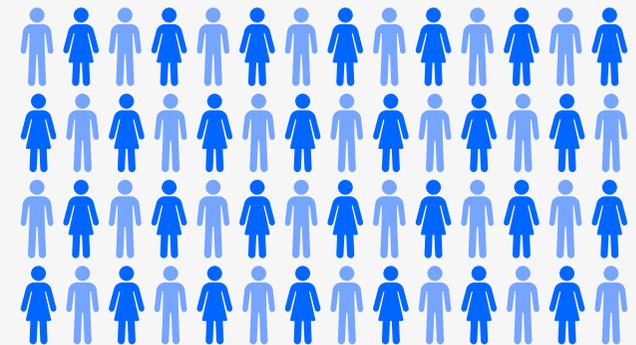
How have these numbers changed?

While the 2018 gender pay and bonus gaps for Santander UK Group are still larger than we would like, we have seen an improvement on all metrics compared to our first disclosure.

Most notably, there is a reduction of 1.7 percentage points in the mean gender pay gap. This improvement can be attributed to two main factors: improved female representation at senior levels of the organisation and the introduction of a new Flexible Benefits Allowance in March 2018.

The improvement in female representation is evidenced in the supporting 'pay quartile' analysis, which shows that the proportion of women in the Santander UK Group's top pay quartile has increased. This correlates with the progress that is being made towards our pledge to HM Treasury's Women in Finance Charter, which can be found in the next section of this report.

The mean and median gender bonus gaps have shown a smaller improvement across the Santander UK Group. The proportion of female employees in the Santander UK Group receiving a bonus is larger than the proportion of male employees, which mirrors the result from the 2017 disclosure. There was an increase in the number of males and females receiving a bonus.



How are we improving gender diversity?

We have a number of targeted actions to improve our gender diversity and have made significant progress over the last 12 months against each of these actions:

Tone from the top

We need to ensure there is strong female representation at the top of the organisation.

Update: Strong representation at the top of the organisation has been maintained, with 38% female representation at Executive Committee level and 43% at Board level.

To ensure greater accountability and ownership at senior levels, we will establish Director-level champions that will provide additional support to our gender Executive Committee sponsor. The aim of this is to deepen leadership accountability and ownership at the next level of the organisation.

Ambitious targets

We have set an ambitious target to increase the number of women in senior management roles to 50% (+/- 10%) by 2021. This in turn will have a beneficial impact on the organisational gender pay gap, as well as delivering against our HM Treasury Women in Finance Charter pledge.

Update: Our senior manager population is currently 30.6% female, increasing by 3.5 percentage points in the last 18 months. Santander's ambition to increase the number of women in senior management roles to 50% (+/- 10%) still stands.

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. Mitigating bias in the recruitment process should ensure a level playing field to senior roles.

Update: All open senior manager roles are monitored on a weekly basis and positively challenged if a 50:50 shortlist is not met. If an all-male shortlist occurs, email notification is provided to the relevant Executive Committee member to ensure they are aware of the implications. We are proactively working with managers to understand resourcing requirements and facilitate conversations with potential female candidates. Female interviewers are included in interview panels and we are now maintaining a pool of senior female volunteers who can support the interview process for business areas where it is more difficult to achieve this.

Understanding the root of the issue

We recognise that one of the barriers to gender balance has been the historical inequality in caring responsibilities. We sponsored 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 examines the relationship between male involvement in the family and women's progression in the labour market, as well as impactful workplace interventions and policies.

Update: On 12 September 2018 we launched the Equal Lives research that we sponsored with BITC. The research highlights the key barriers preventing men from taking on more caring responsibilities in home life and the factors that may support them to be more active in caring roles. A number of the recommendations from the report are already underway. For example, in September 2018, we became one of the first organisations to publicly disclose our family-friendly policies, enabling external candidates to view and compare these with those of other organisations, before interview. We are proactively looking at ways we can continue to support our employees to have the right balance between their work and home life.

Employee-led networks

Executive Committee sponsors lead each of our employee-led networks focused on women, LGBT+, race, disability, parents and carers.

One of these networks, Women in Business, proactively supports the diversity and inclusion strategy to attract, develop and retain talented females.

Update: Membership of the Women in Business network has increased significantly over the course of the year to reach 3,315 in the third quarter of 2018.

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The network has hosted a series of events this year including a panel event with CEO Nathan Bostock for International Women's Day, and a series of targeted development workshops across UK offices.

This network continues to look at ways to increase both its male and female membership and provide useful content on how to accelerate careers and build personal brands and networks, with a new gender Executive Committee sponsor taking accountability to support the network chairs to drive activity throughout 2019.

Leadership development programme

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. This will better support high-potential women in achieving their career aspirations at Santander.

Update: A further four cohorts have been added to our leadership development programme for high-potential women. Feedback has been universally positive, with a number of the 289 participants commenting that the programme helped develop their leadership skills and boost their confidence to apply for more senior roles. In 2018, the programme was shortlisted for the Personnel Today awards under the D&I category.

Returnship Programme

The launch of the Returnship Programme, which targets candidates who have been out of the workplace for two years or more, has demonstrated the value of accessing varied talent pools that we may not have typically used in the past.

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.

Update: Our pilot Returnship Programme concluded in July 2018 with 78% of those taking part in the programme moving to a permanent or fixed-term contract with the business. The 2019 programme will start in February 2019 and will run for 20 weeks.

Building networks and mentoring

We actively participate in the cross-company 30% Club – 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.

Update: The bank refreshed our 30% Club cohort in October 2018. Rapid growth in the number of applications to be mentors or mentees will see 80 employees taking part in the programme.

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. Training also covers 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 has unconscious-bias training.

Mitigating any bias in management decisions should ensure fairer pay and promotion outcomes.

Update: We have rolled out unconscious-bias training to over 1,000 managers across the organisation. A number of divisions within the bank have also started reverse mentoring programmes, and our Corporate and Investment Bank has also launched some specific programmes to engage junior female colleagues and support their career development.

Awards and benchmarking

Through awards and benchmarking (e.g. Employers Network for Equality & Inclusion, *The Times* Top 50 Employers for Women, Working Families Awards and BITC Best Employers for Race) we continually assess how we compare to the market.

By assessing how we are faring against general industry, we can identify any particular gaps or areas of concern on which our diversity and inclusion programme should focus.

Update: We have won a number of awards this year in different areas of diversity that all support our gender ambitions:

- *The Times* Top 50 Employers for Women 2018;
- Women in Banking & Finance Gender – Champion for Women – Helen Berton, Chair of our Women in Business network, was shortlisted;

- BITC Best Employers for Race;
- Working Families Awards – Best Family network, was commended;
- *FT* and HERoes Champions of Women in Business – Top 100 Female Executives 2018 – Sigga Sigurdardottir and Sue Douthwaite, were shortlisted;
- British LGBT Awards 2018 – Susan Allen, was a top 10 corporate ally;
- EMpower Ethnic Minority Role Models Executive/Advocate/Future Leader 2018 – Manroop Khela Head of Transformation #50; Sigga Sigurdardottir Ethnicity@Work Executive Committee Sponsor #5; Gurjeet Moore Ethnicity@Work Chair #2;
- *Brummell* Magazine 30 Ones to Watch 2018 – Gurjeet Moore;
- Social Mobility Index Top 50 Employer 2018.

While I am pleased that our gender pay gap figures are moving in the right direction, this improvement is not as significant as I would like it to be.

My leadership team and I passionately believe in creating an organisation that reflects the customers it serves, and to be a place where colleagues can thrive regardless of gender, sexual orientation, ethnicity or socioeconomic background. This is a journey, we still have much more to do, and we need to do it faster.



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.





For further information visit [santander.co.uk](https://www.santander.co.uk)

Read more about our diversity and inclusion initiatives:
[santanderjobs.co.uk/diversity](https://www.santanderjobs.co.uk/diversity)