



Santander London Branch Gender Pay Gap Report **2019**



Our Gender Pay Gap Report 2019

We are committed to promoting an inclusive culture, that values diversity and is **simple, personal** and **fair**.

We are pleased to present Banco Santander, S.A. London Branch's ("Santander London Branch", "London Branch" or "the Branch") first gender pay report. Following the implementation of ring-fencing legislation, Santander's UK corporate and wholesale banking business that could not be conducted from its ring-fenced retail bank transferred into London Branch. This increase in headcount requires the Branch to publish its gender pay gap independently.

Our activity

Santander London Branch is currently established and authorised to undertake regulated activities in the UK under the CRD IV Directive and MIFID II. As all other international branches of Banco Santander, London Branch forms part of the Santander Corporate and Investment Banking ("SCIB") franchise. SCIB is Santander's wholesale division focusing on clients that, due to their size, complexity or geographical footprint, require a tailored service or high value-added wholesale products. Santander London Branch is part of this integrated global business model.

Santander London Branch currently deals with the following categories of clients:

- Corporates and Financial Sponsors
- Financial Institutions
- Market counterparties

Santander London Branch also provides markets products and services in the UK to the non-retail client base of the Santander UK Group.

Our commitment

Santander's purpose is to help people and businesses prosper and our values are to be Simple, Personal and Fair in everything we do. These values and purpose are reflected at every level of the organisation, which is why Diversity and Inclusion are such an important part of the Santander culture. Santander London Branch is committed to incorporating diversity and inclusion in our entire value chain. Having a diverse workforce will enable us to understand and reflect modern society, which is critical to our business success.

Equal opportunities between men and women are a priority throughout the Branch. We are promoting multiple initiatives in order to achieve effective equality between men and women at all levels. We are committed to proactively increasing the number of women in senior management roles and to retain and promote women across all levels of our businesses. Our local policies reflect this commitment.

London Branch follows Santander Group general principles on Diversity & Inclusion (D&I). These principles form an 'umbrella' for our local initiatives and help to set the standards in our action plans to improve diversity and inclusion in our Branch.

Our gender pay and bonus 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 Santander London Branch, rather than comparing pay received by women and men performing the same roles. We are committed to ensuring equal pay for men and women undertaking the same roles and gender is never a factor which influences pay decisions.

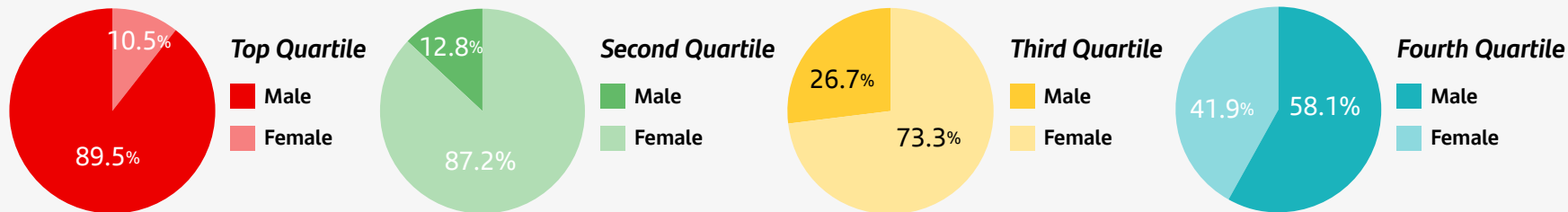
While the 2019 gender pay and bonus gaps for the London Branch are larger than we would like, this is reflective of the organisational profile that resulted from structural change and transfer of colleagues following ring-fencing in 2018. Subsequently, there are proportionately more men in our senior leadership team and a greater proportion of women in non-front office functions. As set out in our action plan, see page 5, initiatives are in place to address gender imbalances within employee bands. Meaningful change will take time, however, we are committed to this transformation.

34.2%
Our **mean** average gender pay gap.

40.3%
Our **median** average gender pay gap.

57.1%
Our **mean** average gender bonus gap.

70.5%
Our **median** average gender bonus gap.



The proportion of eligible male and female employees who received a bonus was **93.3% (male)** and **86.9% (female)**.

Footnotes

• 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. below,

• 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 are we improving gender diversity?

We recognise that our business requires continuous and significant action to improve diversity at senior levels. We have established our plan to improve our gender diversity with the sponsorship of senior management. Our focus is on three key themes: raising awareness, developing and retaining talent, and hiring talent.

Santander Group D&I principles

Santander London Branch action plan is inspired by Banco Santander's principles on Diversity and Inclusion:

- 1** Banco Santander is committed to offering Equal Opportunities to all our employees. Our leaders and our employees follow this as a key leadership principle. Employees are selected, remunerated and promoted based on meritocracy without any discrimination. Our leaders promote inclusive working environments in which individual differences are valued and respected. This equality of opportunities is part of our Group's Employee Value Proposition as part of the strategy for attracting and retaining talent.
- 2** Ensuring that the Group's people management policies, processes, systems and tools do not entail any bias that may lead to discrimination of any kind.
- 3** Diverse talent management with inclusive leadership is an element that adds value and enriches our employees, our customers, our shareholders and communities, constituting a competitive advantage that helps us to attain our business objectives.
- 4** Our customers are diverse (in terms of gender, race, age, and beliefs) and our employees must reflect this.
- 5** Compliance with the prevailing international and local diversity, inclusion and equal opportunities legislation in each country will be ensured.
- 6** Recognition of the contribution each person can make based on difference.
- 7** The support of the leaders and managers of the Group, who will play an active role in diversity management.
- 8** Pay equality is ensured across the whole workforce, with consistency across positions, responsibilities and functions. The process is properly monitored to correct any detected pay inequality, based on the Equal Opportunities principle.

Tone from the top: Diversity Working Group

Santander London Branch has developed a Diversity Working Group to promote and monitor our Diversity and Inclusion action plan. The working group has developed a framework based on a subset of colleagues from across the Branch:

- Senior management team sponsors
- Human resources function partners
- A Leadership Advisory Forum
- Designated leaders for each key theme (raising awareness, developing and retaining talent and hiring talent)

All the above functions and forums have significant female representation and the support of each stakeholder and the progress of the action plan is followed by the Branch Manager.

The active involvement of senior management and colleagues from Human Resources ensures the accountability of senior leaders to progress our gender diversity and inclusion plan. This is strengthened by designated sponsors for each key theme who are responsible for driving the action plan for that area.

The Leadership Advisory Forum aims to develop future leaders for positions within Santander London Branch. This Forum consists of diverse members and aims to develop ways to improve working, nurture future talent, ensure a talent pipeline within the business, and help identify cultural improvements within the business.

Our action plan

Diversity objectives

The senior management team of Santander London Branch have specific objectives to grow female representation at all levels of the organisation. This is evaluated as part of a broader global SCIB initiative.

Family friendly policies

We publicly disclose our family-friendly policies, enabling external candidates to view and compare these with those of other organisations, before interview. We have increased paternity leave to four weeks to give new parents more choice about their caring arrangements.

Flexible working

Santander London Branch offers a range of flexible working options: compressed hours and days, annualised hours, working from home or job sharing. Flexible working requests can be raised and approved quickly.

Mentoring

Santander London Branch participates in SCIB global mentoring programme, which supports the development of junior staff members through working with senior managers from other geographies.

Diversity focus groups

We have developed a number of initiatives including small focus groups as well as interactive panel discussions, informal breakfast meetings and talks with external speakers with the aim of sparking thought provoking debate amongst our workforce and providing an open forum to discuss the key issues that matter across our whole population. We have had a number of senior female role models from within Santander and also a selection of external firms, providing guidance and advice to all members of staff and leading debate.

Reverse mentoring programme

This program matches junior members of staff, proportionately more female, with senior managers. Reverse mentoring allows senior managers to learn directly from their mentee how their development can best be supported.

Unconscious bias training

This online training helps colleagues understand what unconscious bias is and how it impacts on the employment life cycle. This enables colleagues to recognise and implement actions designed to manage and reduce bias within the workplace.

Female representation in all open roles and in the interview process

We monitor open roles to ensure that all have enough female representation in the shortlists. Female interviewers are required for senior roles, to ensure a diverse approach to talent. Our resourcing agencies are monitored on shortlists and challenged when enough female representation is not achieved.

Branch Manager Statement

“While I am confident that our Diversity and Inclusion plan will contribute to moving our gender pay gap figures in the right direction, change will take considerable time and we still have more to do. Our commitment to creating a diverse and inclusive culture where everyone is able to speak up is a key priority for us and is recognised by all as essential for driving our business to the next level.”



A handwritten signature in black ink that reads "Darren Jones". The signature is written in a cursive style with a large, circular flourish around the first part of the name.

Darren Jones

Branch Manager, Santander London Branch

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.