



# Gender pay gap report 2019

**Handelsbanken**

# Introduction and regulatory reporting requirements

We are creating a culture of belonging, where everyone can demonstrate their talent and potential on a level playing field, for a long and prosperous career at Handelsbanken.



At Handelsbanken we have been publishing our gender pay information since 2017, but our commitment to inclusion has always been a part of our ethos and unique ways of working. Our decentralised culture is underpinned by the belief in human nature and human beings' ability and will to do good things well.

As a result, our core values always have been empowerment, trust and respect for each individual – an understanding that all points of view are valid and that collaboration is key. We know people do their best work when they feel they can bring all of themselves to work, we know we are more attractive to prospective employees when we create an inclusive atmosphere, and we know our customers have a better experience with us when we are diverse – this, in turn, is what makes us successful. So it is only natural we would be committed to ensuring our workplace works equally well for both women and men.

We are proud to participate in gender pay reporting. We see it as an opportunity to take stock of where we are and what we have been doing to date. It holds us to account and helps us ensure our plans are taking us ever closer to gender parity.

We are pleased we continue to make improvements year on year, but we recognise our imbalance in the number of women represented in more senior roles will take time to address. We are taking steps to build strong pipelines of talent – demonstrated by the fact we are close to gender equilibrium in our overall headcount and numbers of female leaders continue to rise.

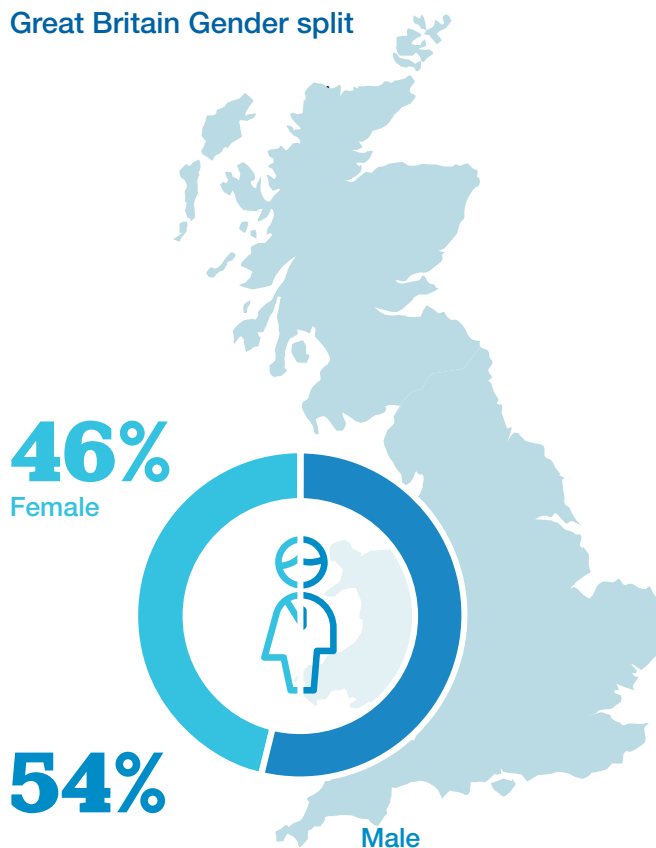
We believe we all have a responsibility and mandate to embed diversity and inclusion in our daily work and activities. So we continue to drive forward initiatives that allow us to take advantage of our decentralised model in empowering local and tailored action that we believe is the most impactful. This includes setting ourselves specific women in leadership targets (through the Women in Finance charter), recruitment practices that reflect the communities we operate in, or mentoring programmes aimed at developing women and then supporting them in their new roles.

While we try to exercise patience in seeing this reflected in the gender pay gap results we report, our commitment to inclusivity for our people and our customers will not waver – so we can be confident it will be a matter of time.

# About Handelsbanken

Handelsbanken is a global relationship bank with nationwide branch networks in six home markets, of which the UK is one. Each branch operates as a local bank, fully empowered to serve customers, build relationships and take all the important decisions locally. In the UK we currently have over 200 branches, split across five regions.

## Great Britain Gender split



# A reminder of the legislation

Gender pay gap legislation requires firms with 250 employees or more to calculate and publish information showing the pay gap between the men and women they employ. This must include:

1. The **mean** and **median gap** in gender pay based on hourly pay
2. The **mean** and **median** in gender pay for bonuses
3. The **proportion** of men and women **who received a bonus**
4. The number of men and women in each **quartile** of the pay range (if Handelsbanken was split into four equal parts)

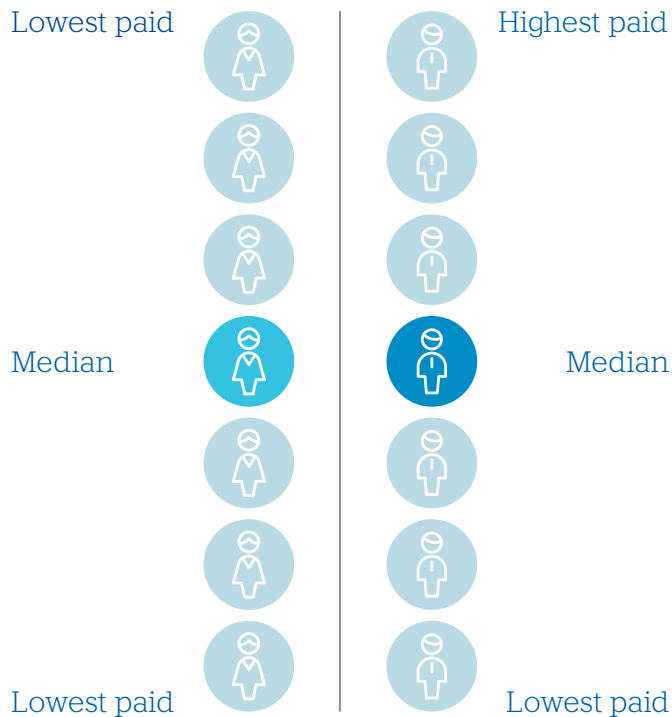


# Distinguishing between mean and median

## Median

This is the number that falls in the middle of a range when the hourly rate of pay of all relevant employees of each gender are lined up – from the smallest to the largest. The median gender pay gap is the difference between the number in the middle of the range of men's pay and the number in the middle of the range of women's pay.

### Median calculation



## Mean

This is worked out by adding up the hourly rate of pay of all relevant employees of each gender and dividing that number by the total number of employees of each gender. The mean gender pay gap is the difference between the mean pay of men and the mean pay of women.

### Mean calculation

Sum of **women's** hourly rate of pay



Total number of **women**

**V's**

Sum of **men's** hourly rate of pay



Total number of **men**

# The difference between equal pay and gender pay

Gender pay compares the difference between types of average earnings of men and women, regardless of role and seniority. Equal pay on the other hand is a legal requirement to ensure men and women receive equal pay for equal work.

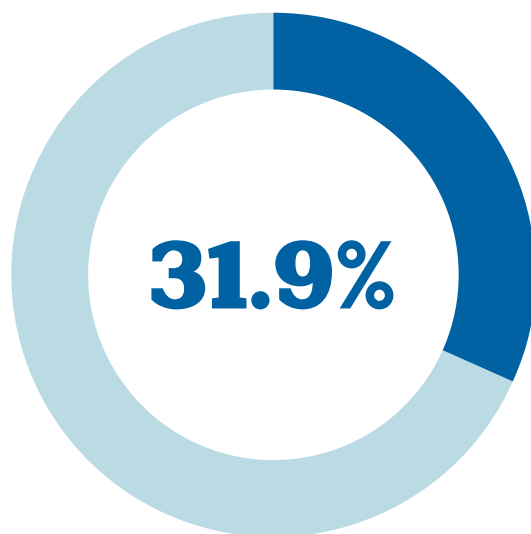
Organisations can have gender pay gaps, and typically do, without breaching equal pay obligations.

Our gender pay gap is not related to equal pay. We closely monitor our pay for all roles and at all levels to ensure gender neutrality and that we deliver on this legal and moral duty.

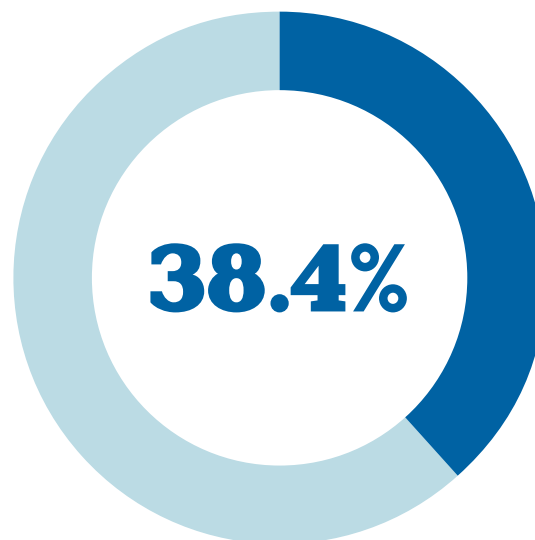
## Our 2019 gender pay gap

Graphic showing mean/median result for hourly pay with comparisons in pie format to 2018/2017 and also demonstrating the uplift/decrease.

### Handelsbanken Mean Gap



### Handelsbanken Median Gap



The Bank's mean gap was 31.9% which is an improvement of 1% from 2018 and 5.6% from 2017. The median gap was 38.4% which declined by 0.7% from 2018 but shows an overall improvement of 4.5% from 2017.

# 2019 Results

This year the improvement in our result has been slower than in previous years. While we welcome the areas that have again shown movement, we recognise the change is small. We would like to see greater progress year on year but must appreciate meaningful and sustainable change takes time.

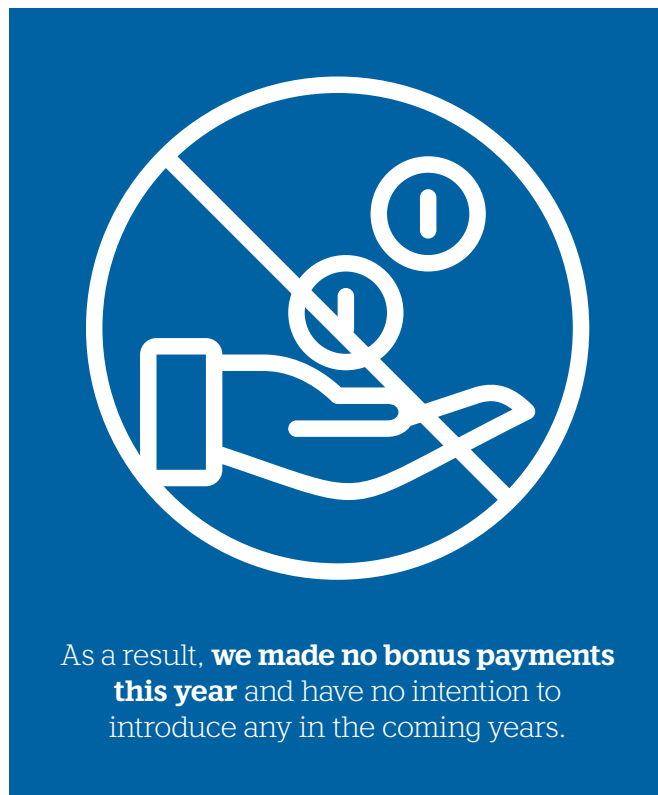
The work we are doing to have more gender balance in recruitment overall has resulted in the proportion of women in relatively lower paid roles increase (as much of our recruitment is in early career positions) – which will worsen the gap in the short term, while the number of women in higher paid roles stays more steady. This is just the case before our new recruits progress through to more senior roles over the long term, at which point our aspiration is to see the gap reduce.

We will also continue to invest in a range of leadership and management development programmes. This includes interventions for potential leaders, new leaders and our inspiring leaders programme for all existing leaders. A focus in all three is the requirement for us to ensure our leaders and managers develop their direct reports for career progression, increased responsibility and succession planning.

Our goal is to support local communities across the country, helping individuals and businesses with their financial needs. Our focus is on helping customers.

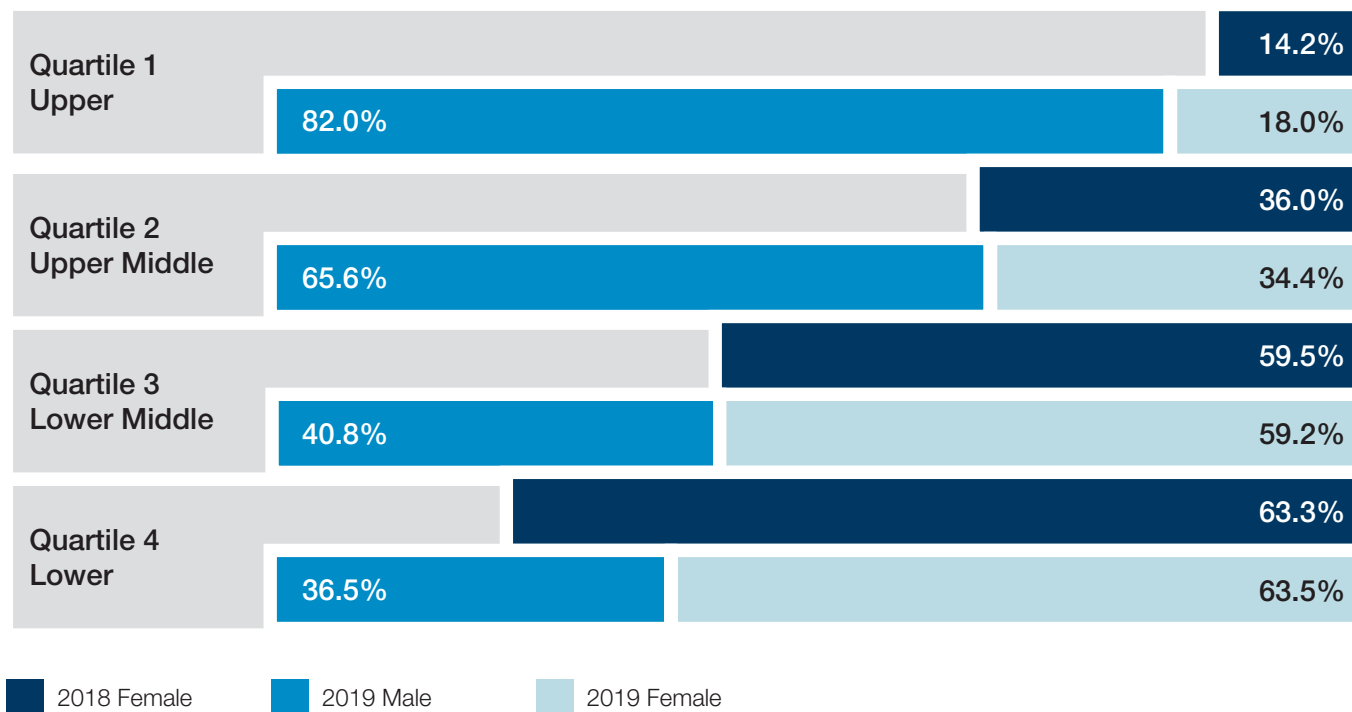
We don't believe in short-term bonuses and don't have sales or product targets; instead we take a long-term view, investing time in getting to know our customers, their needs, dreams and ambitions.

The handbook of our culture states:



“Our advice must always be what is best for the customer, not what is most profitable for the Bank at the time.”

Graphic showing quartile results – with comparisons to previous years.



**A 3.8% increase in the number of women in our upper quartile, at 18% is encouraging. The upper quartile represents our top 25% of earners.**

This is driven by a growth in women in leadership positions, which at 26%, has grown consistently over years. We were one of the first signatories of the Women in Finance Charter, signing up to deliver 30% of women in leadership positions by the end of 2021 – which we remain attentive to.

With the knowledge that our structural imbalance, in terms of the number of men in senior roles, is behind much of our gap, we have a number of focus areas, which are set out further below, to support and develop the careers of women in our workplace.



# Our history and its impact on the gender pay gap

At the beginning of the 1980s, we began banking operations in the UK. In 1989, our first branch in London was complemented with a representative branch in Manchester, and a third branch was opened in Birmingham in 1994. We continued to expand branch-by-branch, driven by local demand - reflecting the need for a different type of banking in the UK. There followed a period of significant growth and, in 2007, tripled the number of new branches compared with the previous year. This brought the regional bank to a size where it was sufficiently large to start another regional bank, and during the year Handelsbanken's 50th UK branch was opened.



UK operations continued to grow and, in 2011, we opened our 100th UK branch. Just four years later - in September 2015 - our 200th UK branch was opened. As of today, we have 207 branches in the UK.

Our significant growth in the UK was only made possible by the hiring of experienced individuals, many of whom joined a relatively unknown organisation – albeit one with an established presence in Sweden and a tried and tested way of doing business focused on the needs of its customers.

The majority of these individuals were picked from long established financial institutions across the UK which were then, as now, dominated by men – especially in leadership positions. These experienced hires were, and are a key and valued part of the successful growth in the UK, whilst at the same time mitigating the risks associated with a rapidly expanding organisation focused on providing excellent customer service.

Despite the obvious positive impact these hires had on our growth and success, this hiring activity was a significant factor in creating an imbalance between the number of men and women in roles with different levels of seniority across the organisation. This is reflected in the gender pay gap.

Growth has since steadied and there has been a shift in focus towards addressing the structural causes behind the pay gap. Recent analysis shows that over the last four years the number of men in management positions has steadied whereas the number of women in these positions continues to grow. In areas of the Bank like UK Head Office, the number of men and women in management positions is now much more balanced.

# A run-down of what we are up to

Our emphasis is on individual need and experience so at Handelsbanken you don't see sweeping generalised programmes which may be relevant to some, but rather, specific support aimed at the realisation of potential for each person - linked back to common goals and principles.

Recruitment, retention, and progression remain significant areas of focus for all our regions – and our decentralised model allows the programmes they have introduced to support their specific challenges.

Here we share a little on some of those common goals:



## Executive and senior leadership driven

Our commitment to diversity and inclusion runs throughout our organisation but as we know, senior sponsorship is a valuable driving factor. Our goals, and the resulting plans have commitment from our UK CEO and other senior leaders across the Bank. It is an area they are visible and vocal in their support of – chairing and inputting into local forums, helping drive the priorities, ensuring specific objectives are included in business plans for example.

## Recruitment

Inclusivity starts before you even walk through the door. Recruitment training, which managers can access, includes diversity awareness. We think we can do more and are currently in the middle of reviewing our end to end recruitment process, ensuring it is set up to provide us with the best and most diverse pool of candidates – and ensuring they then do not experience any barriers during the interview process.



## Internal progression

Mentoring programmes are run by some of our regions, which use the expertise of our longer serving, more experienced colleagues, typically men – to support and develop talented women in our workplace with the potential to succeed. The details look slightly different in our regions but they have all proven to be successful in building strong pipelines and helping us even the playing field for women. Alongside this, we also pay particular attention to succession planning, and making sure that gender balance is integral in our plans.

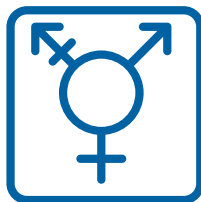


### Policies and practices

This is two-fold. We continue work to integrate gender inclusivity throughout our policies and practices, and also to raise awareness and visibility of our current offering – such as shared parental leave and supporting flexible working where appropriate. We do this in an effort to encourage our people to use what they can to have a fulfilling career at Handelsbanken, again focusing on their individual circumstances and needs. Our case studies share some stories.

### Training and development

An important aspect of our people's everyday development is their Individual Action plans, their annual competency mapping exercise and general self-assessment plus training plans. Diversity and inclusion runs through all of these. Our managers have access to resources that equip them to have these conversations from a perspective that creates an environment of growth for each individual.



### Diversity specific initiatives

We are signed up to the Women in Finance charter which allows us to set targets specifically related to women in leadership positions (we are aiming to have 30% by the end of 2021), and create plans to achieve this with the support of this industry initiative. You can read more about our plans and progress in this area on our website, here [click here](#).

Over the course of the next year our intention is to solidify our efforts in a new D&I strategy, with input from colleagues on our UK D&I Forum. The strategy will have a major focus on training and development for senior leadership, line managers and all colleagues.

# Case studies:

## Empowering women and supporting their progression

We talked to our colleagues who shared their career journey to Branch Manager within Handelsbanken. Supporting women to progress their career at Handelsbanken while balancing their commitments outside work is part of our long term efforts to develop more women in leadership roles and therefore address our structural imbalance.



**Sarah Hunter**  
Branch Manager, Wilmslow

Sarah is Branch Manager of our Wilmslow branch and has carried out several roles so far during her seven years at Handelsbanken. She has been a successful Corporate Manager in two of our branches and has also worked in our credit team before moving to her current role as Branch Manager.

“I have also seen my family grow and change during this time but I have never felt like it held me back in my Handelsbanken career. My challenges have tended to be around me having the confidence to apply for roles despite having a young family.”

At Handelsbanken we're dedicated to ensuring everyone is able to work in a way that allows them to balance a career with commitments outside work. So Sarah, when applying to work in the credit team, wondered if she would be able to commit to a full time position, we made sure she knew how that was possible – and put in place a flexible working arrangement when she started the role.

“My managers ask questions like ‘how is your life balance’ alongside supporting my career aspiration. This just reinforces to me how Handelsbanken is evolving and how different it is to my previous employers. The senior leaders in my region, my line managers and my mentors help and support me, and ensure I have a robust Individual Action Plan for my development”

So when the position of Branch Manager opened up whilst Sarah was on maternity leave, her managers were aware of her aspirations and made sure she had the opportunity to apply. Sarah did apply, going through the whole interview while on maternity leave. She was successful, on starting this new role she gained a place on our formal mentoring programme which aims to strengthen our pipeline of talent regardless of gender.

“I have formal but also informal mentors who make me feel empowered and excited to work for a Bank that is bursting full of opportunities for the next generation both male and female. At Handelsbanken, you really are the master of your own destiny”

handelsbanken.co.uk

**Handelsbanken**

---

Handelsbanken is the trading name of Handelsbanken plc, which is incorporated in England and Wales with company number 11305395.  
Registered office: 3 Thomas More Square, London, E1W 1WY, UK. Handelsbanken plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 806852.  
Handelsbanken plc is a wholly-owned subsidiary of Svenska Handelsbanken AB (publ).

4357 | UKI | 02.2021