



Gender pay gap report
2023

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 UK, we have been publishing our gender pay information since 2018, but our commitment to gender equal and gender neutral pay structures 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 to do good things well.

As a result, our core values have always 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 is also important to understand the reasons behind our gender pay gap. Our gap is driven by the structural imbalance in our leadership roles. 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.

We are pleased we continue to make improvements in our gender pay gap year on year, with an improvement in our mean gap of 11.8% and 9.7% to our median gap since we first published our results in 2018, whilst still recognising the 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 our 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 by empowering local and tailored action that we believe is the most impactful, and which will support the continued reduction in the gender pay gap.

About Handelsbanken

Handelsbanken is a relationship bank with nationwide branch networks in Sweden, Norway, the Netherlands and the UK. Each branch operates as a local bank, fully empowered to serve customers, build relationships and take key important decisions locally.

In the UK we currently have 157 branches, split across 14 Districts.

Great Britain Gender split

46%
Female



54%
Male

Our history and its impact on the gender pay gap

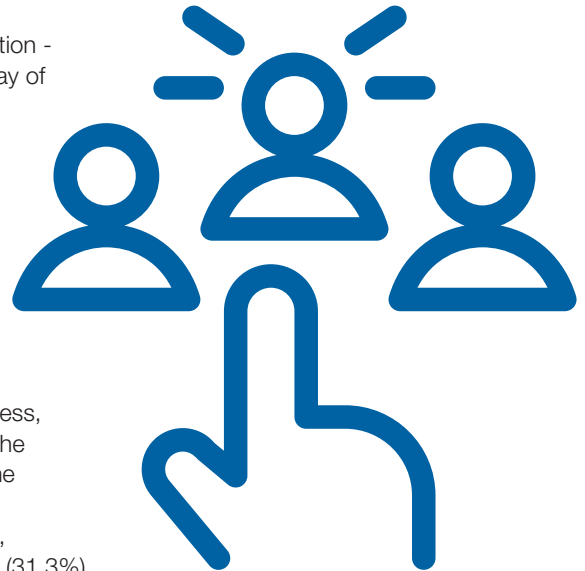


At the beginning of the 1980s, we began banking operations in the UK. In 1989, our first branch in London was complemented with a representative branch in Manchester, and a third branch was opened in Birmingham in 1994. We continued to expand branch-by-branch, driven by local demand - reflecting the need for a different type of banking in the UK. There followed a period of significant growth and, by 2011, we had opened 100 UK branches.

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 our successful growth in the UK, whilst at the same time helped mitigate against the risks associated with a rapidly expanding organisation focused on providing excellent customer service.

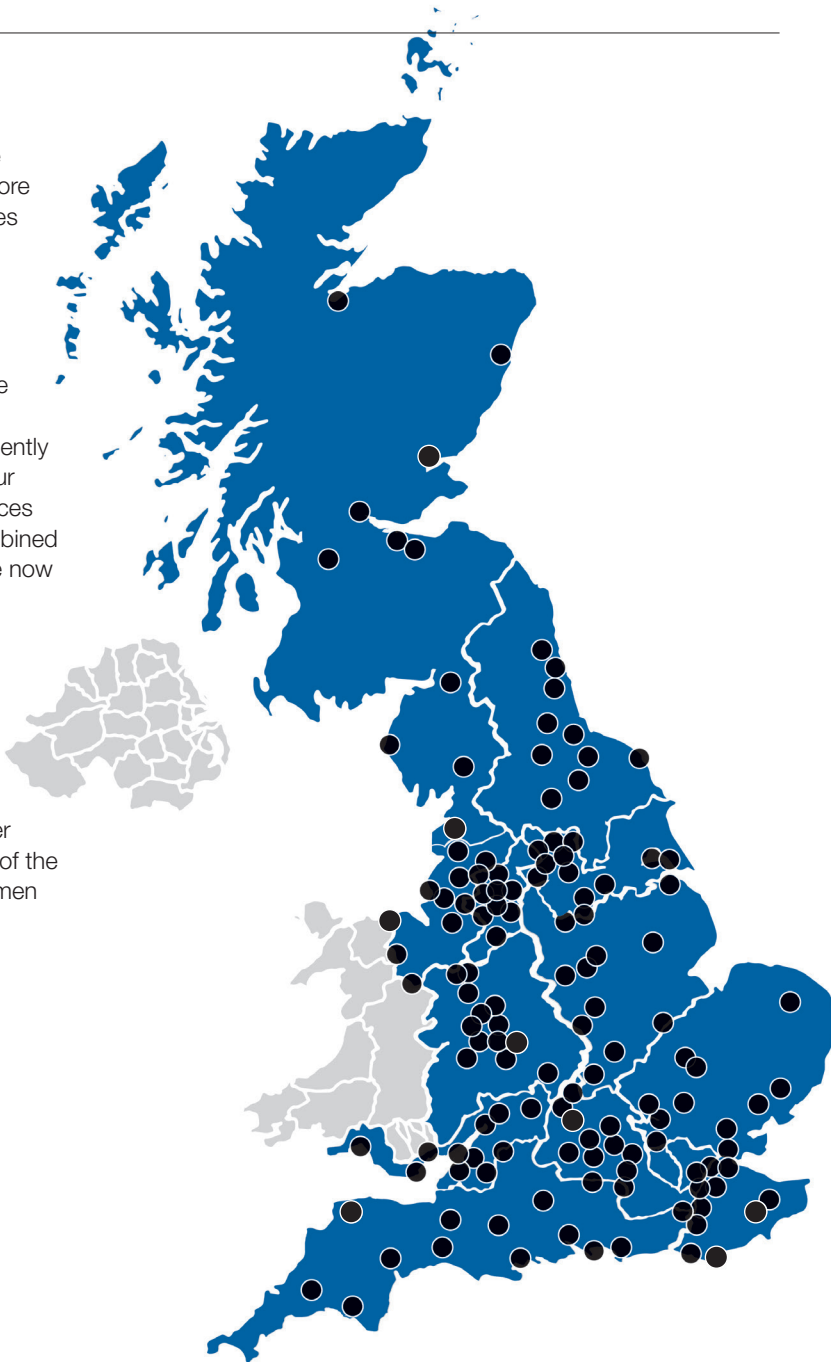
Despite the obvious positive impact these hires had on our growth and success, this hiring activity was a significant factor in creating an imbalance between the number of men and women in roles with different levels of seniority across the organisation. This is reflected in the gender pay gap and is further evident when we compare the mean gender pay gap in our Functional roles (16.5%), which is a much smaller gap than across our District & branch network roles (31.3%).



Having established a good geographical footprint across the UK, we are now at a stage in our evolution where we are investing in the next stage of growth. We have therefore adapted our organisational structure in line with our values to build a bank fit for the next stage of our UK journey.

Among other things, this adaptation involves making adjustments to our branch network in line with changing customer behaviour and demands to ensure we continue to be represented in the right areas to serve our existing and future customers in the best possible way. Consequently we have taken a closer look at the location of some of our branches and decided that some of them should join forces with nearby branches to create bigger teams with a combined broader set of knowledge and expertise. As of today, we now have 157 branches across the UK.

By creating more efficient structures which enhance the knowledge and collaboration between our teams we will continue addressing the structural causes behind the gender 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 our UK Functions, the number of men and women in management positions is now much more balanced.



Our actions to close the gap

Given that it is the structural imbalance in our leadership roles which is driving our gender pay gap, our focus for closing the gap is about building the pipeline to ensure we have the right gender balance in our leadership population.

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

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.

The steps we are taking to reduce our gender pay gap are aligned with our Diversity and Inclusion strategy. Our actions, set out below, will continue to focus on addressing the structural imbalance in our leadership population, by making long term sustainable progress in improving our gender balance.

Our actions also continue our focus on ensuring an inclusive culture within the Bank which is fundamental for sustainable progress.



1. We have adapted our approach to recruitment to ensure it is even more inclusive, and would highlight the following:
 - a. We have mixed gender interview panels for roles at Executive Management and their direct reports levels. We intend to extend this requirement to all roles in the Bank.
 - b. A commitment to diverse short-lists and values based hiring for all roles,
 - c. We have designed and implemented training, available for all hiring managers to explore the impact of bias on the recruitment and selection process in greater depth and how to mitigate this.
 - d. For all of our advertised roles (internal and external) we use a gender decoder tool and include a statement detailing the fact that we are a family friendly employer and support hybrid working, flexible, part-time or a job share.
 - e. We have made several enhancements to our job adverts, including a reduction in the key responsibilities required for a role and also a statement that references research by Harvard University i.e. “research that shows that women are particularly likely to second guess themselves and not apply - so if you are worried you don’t meet all the criteria, get in touch anyhow and let us do the worrying.”

2. In 2023 we were recognised in the Cord Hiring Leaders Awards for Gender Diversity Sourcing (Cord is a messaging tool that allows direct access to hiring teams at technology companies). We were honoured among the top 20 companies (14th place) exceeding industry averages in sourcing female talent. We are the only Bank in the top 20 and scoring 36% above average.

3. We will continue to build managers’ awareness of Diversity and Inclusion. We have a library of digital resources that we regularly review and enhance to build diversity and inclusion capability at all levels of our business. We have also launched a ‘Bitesize Inclusion Toolkit’ which has been designed to empower and encourage individual accountability and action through local discussion. Every new employee is also required to complete an “Equality and Diversity in the Workplace” digital learning.

4. We have enhanced our Family Friendly Policies, by implementing a gender-neutral approach to our maternity and paternity leave. These enhancements demonstrate our commitment to gender equality by providing an equal offering that enables working parents, regardless of gender, to continue to develop and advance their careers as we are encouraging equal distribution of parenting responsibilities.

5. Evidence tells us that more than half of mothers rely on grandparents for childcare when they first go back to work after maternity leave. In January 2023, we implemented a new policy of one weeks’ leave with full pay for any employee who becomes a grandparent.

6. We continue to focus on sourcing diverse talent from underrepresented groups and to also spend time with our hiring managers to increase their awareness and understanding of diverse hiring. We will also further explore how we promote job opportunities among diverse professionals through social media, diverse job boards and traditional channels and by also sourcing more diverse talent through partnerships with diversity focused organisations and the educational sector. We will also further enhance our internal frameworks (such as apprenticeships) to further support and provide opportunities for underrepresented groups.

7. In 2024 we will curate learning that focuses on developing the drivers of career progression and will run specific gender cohorts. This learning will explore and develop skills on; building strategic networks, resilience, personal brand and adding strategic value.

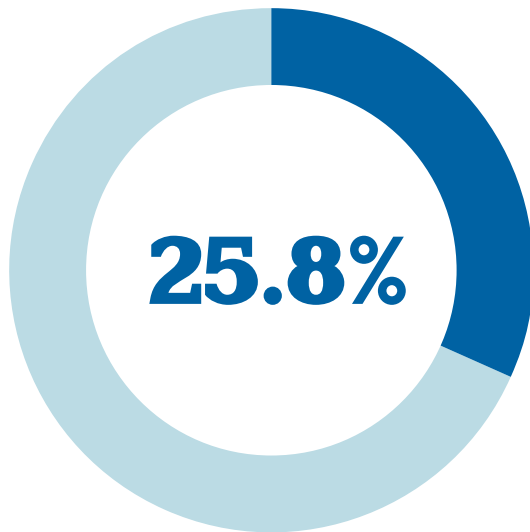
8. In 2023, we successfully rolled out a pilot in our Branch Network in partnership with Women Returners. We recognise that a higher proportion of individuals that take career breaks are women, (compared to men) and this initiative further supports our aim of facilitating lateral career progression, development and increase representation of women in leadership roles. This has been introduced initially in our Branch Network as we recognise we have a lower representation of females in leadership roles in this area of the Bank. In 2024, we will run the programme again in the Branch network and will look to expand this across other areas of the Bank.
9. The introduction of our new benefits platform empowers female colleagues to oversee benefit selections, even using personal devices during leaves of absence. This ensures that our benefits are consistently relevant, valuable and accessible to all women in our workforce. This flexibility coupled with other initiatives, allows women to make choices aligned with their individual circumstances, fostering empowerment and dismantling barriers that may hinder their career progression into leadership roles.
10. We will review our approach to Succession Planning, to strive for more gender-balanced pipelines, and will provide targeted interventions that support career progression for women into leadership roles.
11. Following our Bronze Award achievement under the Inclusive Employers Standard, we will continue to monitor workplace inclusion, taking into account any recommendations from the feedback received from Inclusive Employers.
12. The launch of our 'Culture Hub' in 2023 has facilitated a space for colleagues to explore how we are living and leading our culture. The hub also enables a platform to share personal stories and spotlight career stories of women that have progressed in to leadership roles throughout the Bank.
13. Our focus on diversity data will continue to evolve throughout 2024 as we review and explore our data in greater depth, with a particular focus on gender balance. This insight will aid us in empowering leaders in the Bank to be accountable and take ownership, supporting informed and tailored actions that are reflective of our existing and future people.
14. We operate a market-based approach to managing base pay. This data-driven approach helps in minimising biases and subjective opinions and supports a gender equal and gender neutral approach to remuneration.
15. We have an Employee Resource Group (ERG) framework that unites colleagues with shared interests and passions, offering a secure environment for open for discussion. We have a dedicated Gender ERG who lead in driving gender-focused actions and initiatives focused on women while also gathering valuable feedback from across the Bank. This input allows us to shape and guide future action that truly reflect and support the women in our Workplace.

Our 2023 gender pay gap

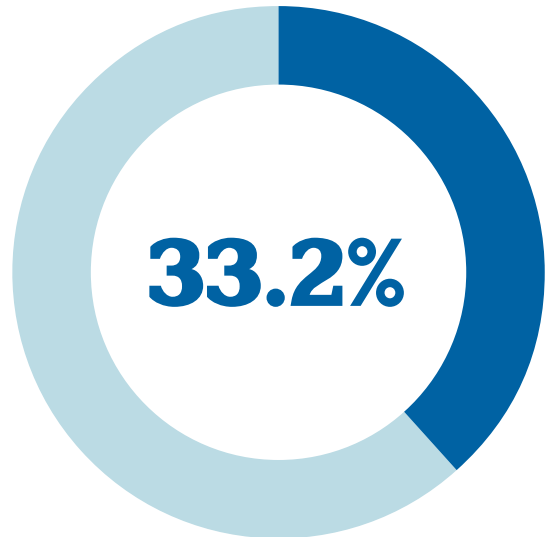
This year we continue to show improvement in both our mean and median pay gaps. While we welcome the areas that have again shown movement, we recognise that meaningful and sustainable progress takes time. With continued focus, commitment and action in this area, we envisage greater progress year on year.

Our 2023 gender pay gap

Handelsbanken Mean Gap



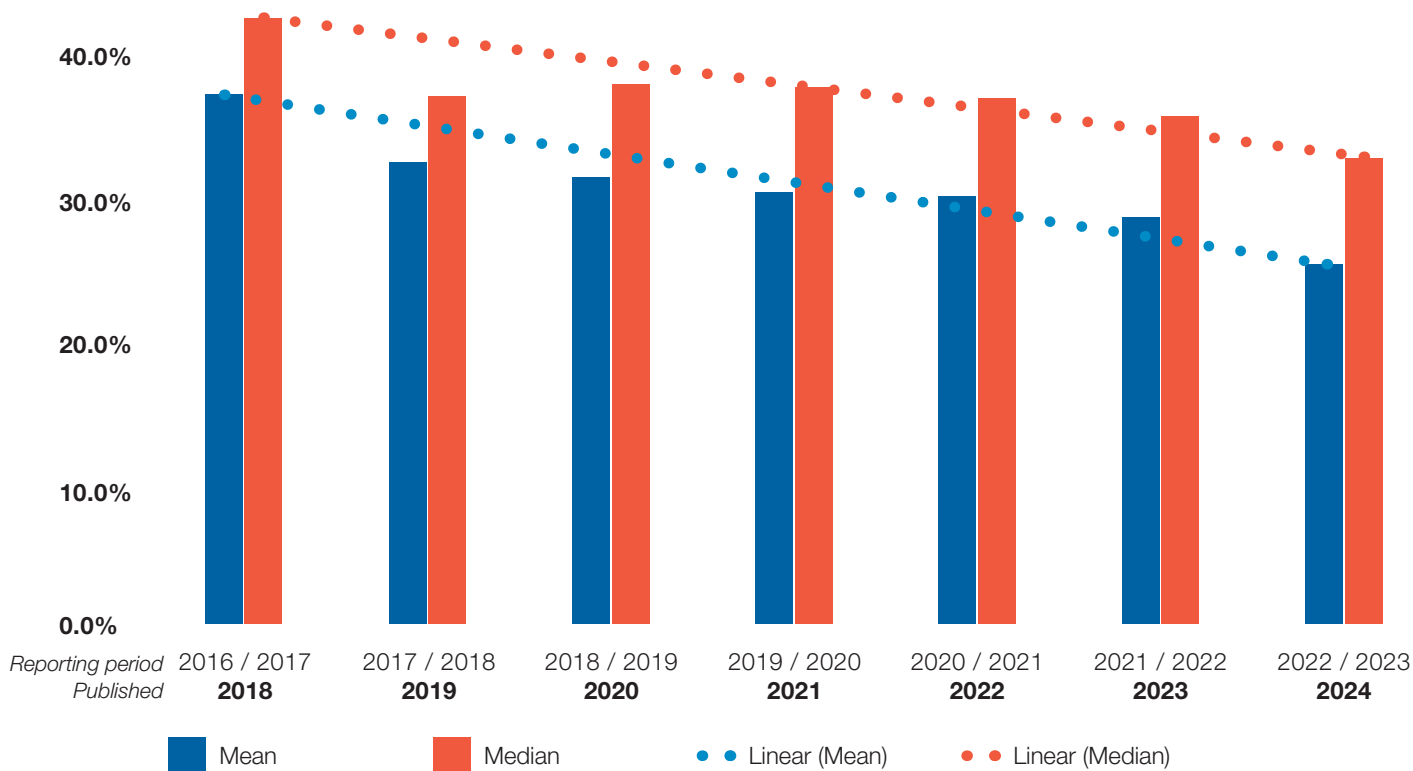
Handelsbanken Median Gap



Gender Pay Gap

Year on Year

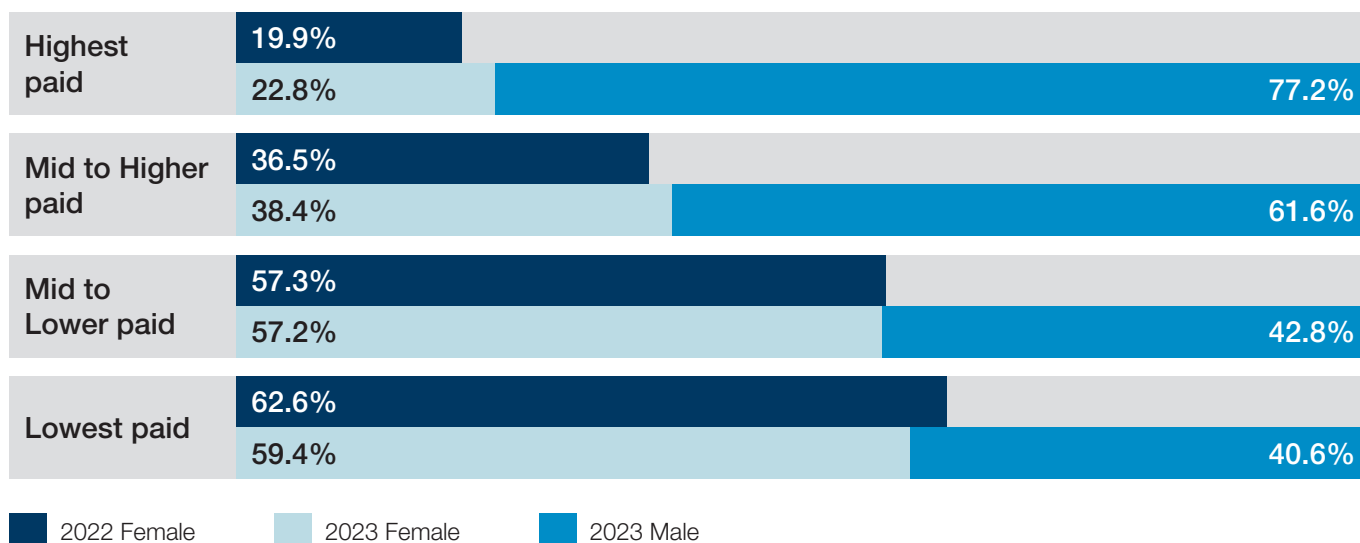
The work we are doing to have more gender balance in recruitment overall has resulted in the proportion of women in relatively lower paid roles increasing (as much of our recruitment is in early career positions) - which will have an impact on the gap in the short term. The number of women in higher paid roles stays more steady.



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."

However, we do operate a profit sharing scheme and this is awarded via a Share Incentive Plan (SIP). All eligible employees are allocated an equal amount (pro-rated for part time employees and/or time spent in the Bank in the performance year). For those who are unable to participate in the SIP, awards are given as cash.



An improvement in female representation in the top 2 quartiles is encouraging. The upper quartile represents our top 25% of earners

We are pleased to report that this year, we have seen the percentage of females in the top 2 earnings quartiles further increase.

This is driven by a growth in women progressing and/or being recruited into leadership positions, and then further advancing into senior leadership positions, increasing consistently over years. As one of the first signatories of the Women in Finance Charter, we remain committed to delivering a continuous improvement in the percentage of women in leadership positions.

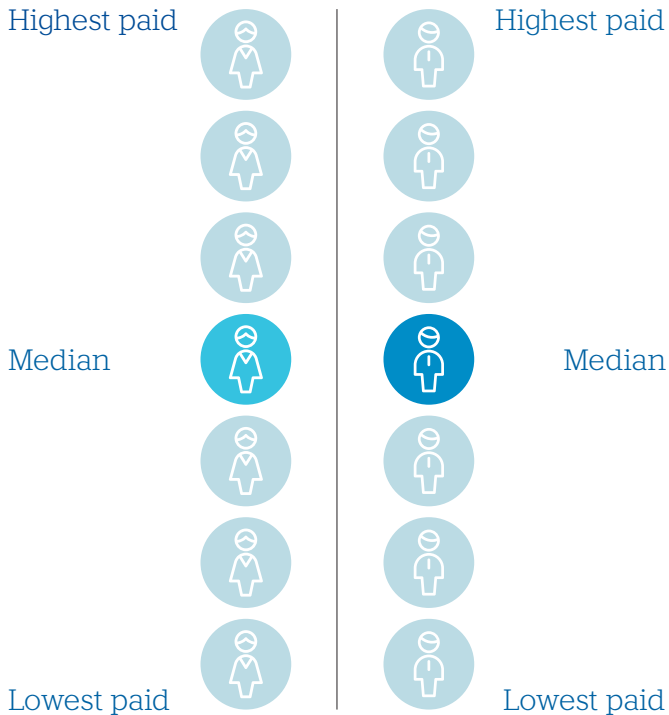
With the knowledge that our structural imbalance, in terms of the number of men in senior roles, is behind much of our remaining gender pay gap, we have a number of focus areas, which are set out further below, to support and develop the careers of women in our workplace.

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**

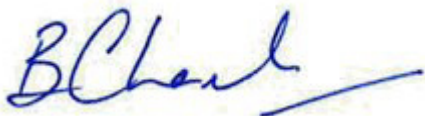
This is not an equal pay issue

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 driven by the structural imbalance in our leadership roles and 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.

I can confirm this data is accurate



Bernie Charles

Chief HR Officer, Handelsbanken plc

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handelsbanken.co.uk

Handelsbanken

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