

# UK Gender Pay Gap Report

June 2019



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# 1. Our commitment

“One of my most important jobs is to ensure everyone at HSBC can fulfil their potential.”



**John Flint**  
Group Chief Executive  
HSBC

Our people are at the heart of HSBC. Our heritage is rooted in diversity and it remains central to our culture and brand today - Together we thrive.

We know that diversity is a critical enabler of business strategy and that each and every one of us at the bank, from new hires to Board members, has a role to play in shaping an inclusive culture.

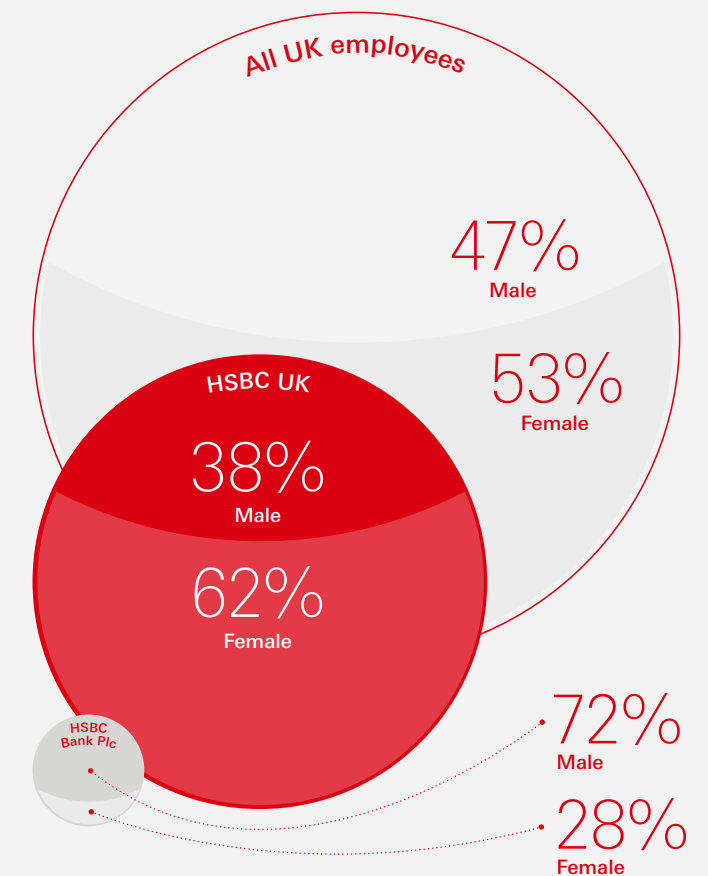
Gender balance is key to this and it is clear from our aggregate UK-wide median gender pay gap of 47.8% that we have more work to do. In this report, we scrutinise our data and show some of the steps we are taking to address what’s driving the UK gender pay gap.

## The shape of our workforce

We have eight reported legal entities in the UK, the most significant of which, from a gender pay gap perspective, are **HSBC UK (our UK retail and commercial bank of 21,000 people)** and **HSBC Bank Plc (our UK-based global banking and markets activities of 2,000 people)**. Employees in our other entities work in smaller businesses, banking services or support functions.

The biggest driver of our gender pay gap is the shape of our workforce. We have a predominance of women at the more junior levels with fewer women in senior leadership roles.

HSBC Bank Plc has a higher proportion of men in senior and higher paid roles, whereas HSBC UK employs more women, especially in more junior and part-time roles. Additionally, we have a number of senior, global roles based in the UK.



## Improving balance

Our focus is on creating more opportunities for all employees to progress, regardless of gender and regardless of where they work. It will take time to redress the imbalance and the results of our work today may not fully be realised until today's pipeline of new joiners becomes tomorrow's business leaders.

However, we are committed to increasing the proportion of women in senior positions, and have been improving this every year towards our target of 30% by 2020. We aim for 50:50 balance on graduate hiring, and support talented women through our Accelerating Female Leaders programme, which builds visibility and connectivity for director-level women across the Group. Further, we aim to create a fully inclusive workplace in every way. A number of our employees have been recognised as diverse role models in the most

recent INvolve lists including OUTstanding (LGBT+), EMpower (ethnicity) and HERoes (gender) lists. Additionally, over 80,000 of our people are participating in one or more of our global employee networks.

In this report you will see what we are doing to drive change through our leadership actions; support for our employees; and our open and inclusive environment.

**We welcome input and ideas, either on the content of this report or on our wider diversity and inclusion strategy.**

“We are deeply committed to fostering a working environment where people feel able to remove barriers to success, and collaborate to put the best ideas into practice. It is these different perspectives that help us grow and compete, innovate for our customers and manage risk. They also make HSBC a great place to come to work every day.”

**Elaine Arden**  
Group Chief Human  
Resources Officer  
**HSBC**



### In detail – ring-fencing impact

We report figures for eight legal entities employing over 250 people in the UK. Following the UK government's legislative changes on ring-fencing we are reporting HSBC UK numbers for the first time. HSBC UK is the largest UK legal entity by employee numbers. The full details of all reporting entities are on p14.

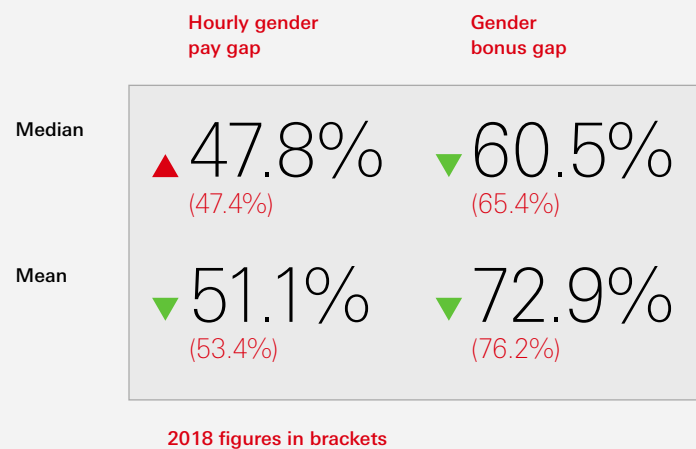
In our prior disclosures, these HSBC UK employees were reported as part of HSBC Bank Plc along with other employees from Global Banking and Markets. Given this significant population shift, the most helpful year-on-year comparison would be across all UK entities. Accordingly, we have provided our aggregate UK-wide gender pay gap figure, which gives the overall picture for all our employees in the UK.

# 2. Our data

## Our UK gender pay gap

Our median aggregate UK-wide gender pay gap including all eight reported HSBC entities is 47.8% and our median bonus gap is 60.5% in 2019.

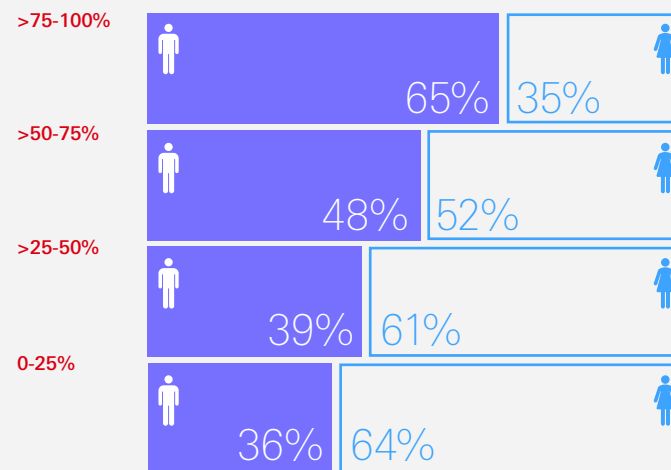
2019 gender pay gap - UK overall



## Quartile split

When we analyse the gender distribution across different pay quartiles, we see clearly fewer women occupying more senior positions, coupled with higher numbers of women in more junior positions. This illustrates the primary driver of our gender pay gap in the UK.

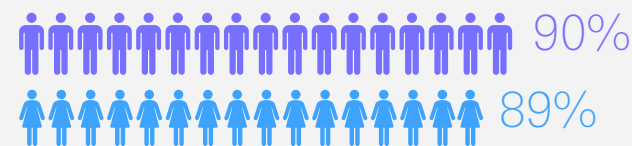
2019 Gender balance - UK overall



## Bonus gap

The gender bonus gap now stands at 60.5% (median average) across the UK, compared to 65.4% in 2018. In line with the regulations, this does not include employees who are not eligible to receive a bonus due to their start date, nor employees who were eligible but did not receive a bonus due to their performance.

2019 proportion of employees receiving a bonus - UK overall



### In detail – our approach to pay

One of our reward principles is to ensure fair pay to all employees, with no bias towards an individual's gender, ethnicity, age or any other characteristic. We regularly review our pay practices and in 2018 worked with independent third parties to review equal pay.

We have also updated our reward practices to increase transparency and consistency. We have introduced more structured variable pay arrangements for junior roles. This focuses on objective criteria, enabling more consistent and equitable pay outcomes. We will continue to conduct robust reviews and monitor pay data to reduce the risk of any bias impacting our processes.

If pay differences are identified that are not due to an objective, tangible reason such as performance or skills and experience, we make adjustments.

# 3. The shape of our workforce

## HSBC UK

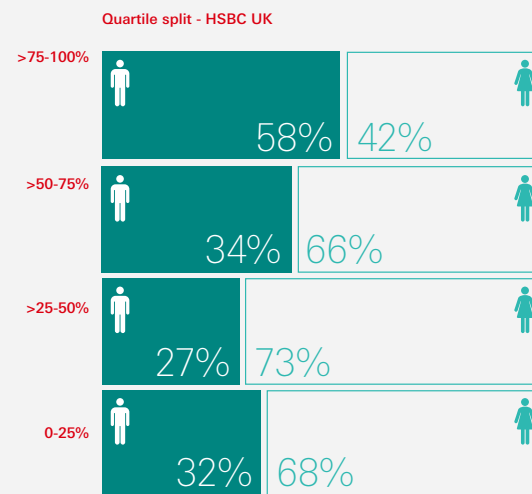
The biggest driver of our gender pay gap is the shape of our workforce. We have a predominance of women at the more junior levels with fewer women in senior leadership roles.

HSBC Bank Plc has a higher proportion of men in senior and higher paid roles, whereas HSBC UK employs more women, especially in more junior and part-time roles. Additionally, we have a number of senior, global roles based in the UK.

We have around 21,000 employees working in HSBC UK, which is the main part of our business in the UK. Many of the customer-facing roles in HSBC UK offer part-time opportunities, and attract people from local communities. Whilst these roles have historically attracted more women, our flexible working initiatives are gender-neutral and we are encouraging more people, regardless of gender, to take advantage of them.

The overall median pay gap for HSBC UK is 18.7%. The gender distribution across the upper pay quartile is 42% women, and the upper middle pay quartile is 66% women. While we have further to go, this distribution more closely represents the organisation that we aim to be.

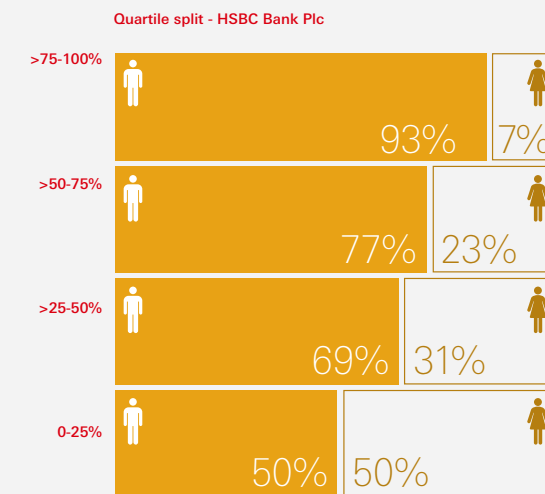
	Hourly gender pay gap	Gender bonus gap
Median	18.7%	44.3%
Mean	32.0%	59.7%



## HSBC Bank Plc

We have around 2,000 people in HSBC Bank Plc. The gender distribution across the upper pay quartile is 93% men, and the upper middle is 77% men. The lack of female representation in the higher quartiles of HSBC Bank Plc has a material impact on our UK-wide gender pay gap results, despite HSBC Bank Plc being a relatively small part of our overall UK workforce. Like others in our sector, we need to do more to attract and retain women to these roles. The median pay gap is 50.8%. We are committed to creating an environment where more women can thrive and progress into senior positions.

	Hourly gender pay gap	Gender bonus gap
Median	50.8%	69.3%
Mean	55.1%	68.5%



# 4. Improving balance

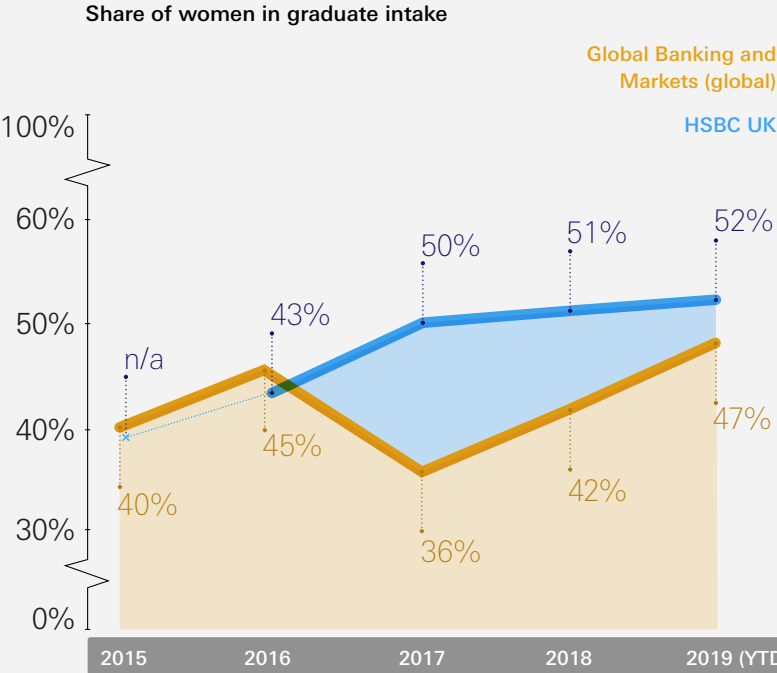
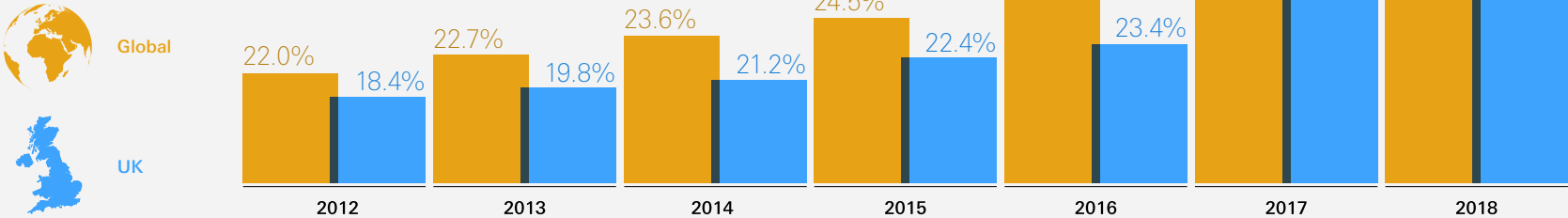
As a business operating in markets all around the world, we see first-hand the benefits that a diverse and inclusive workforce brings for our customers, our business and our people. Different ideas and perspectives help us grow and compete, innovate and manage risk. We want a connected workforce that reflects the communities of which we are a part. We are building an environment where everyone can reach their full potential, and a better gender balance will be a sign of our success. Our approach spans the talent lifecycle

from recruitment, through development and retention and we continuously track the impact of our initiatives against our goals.

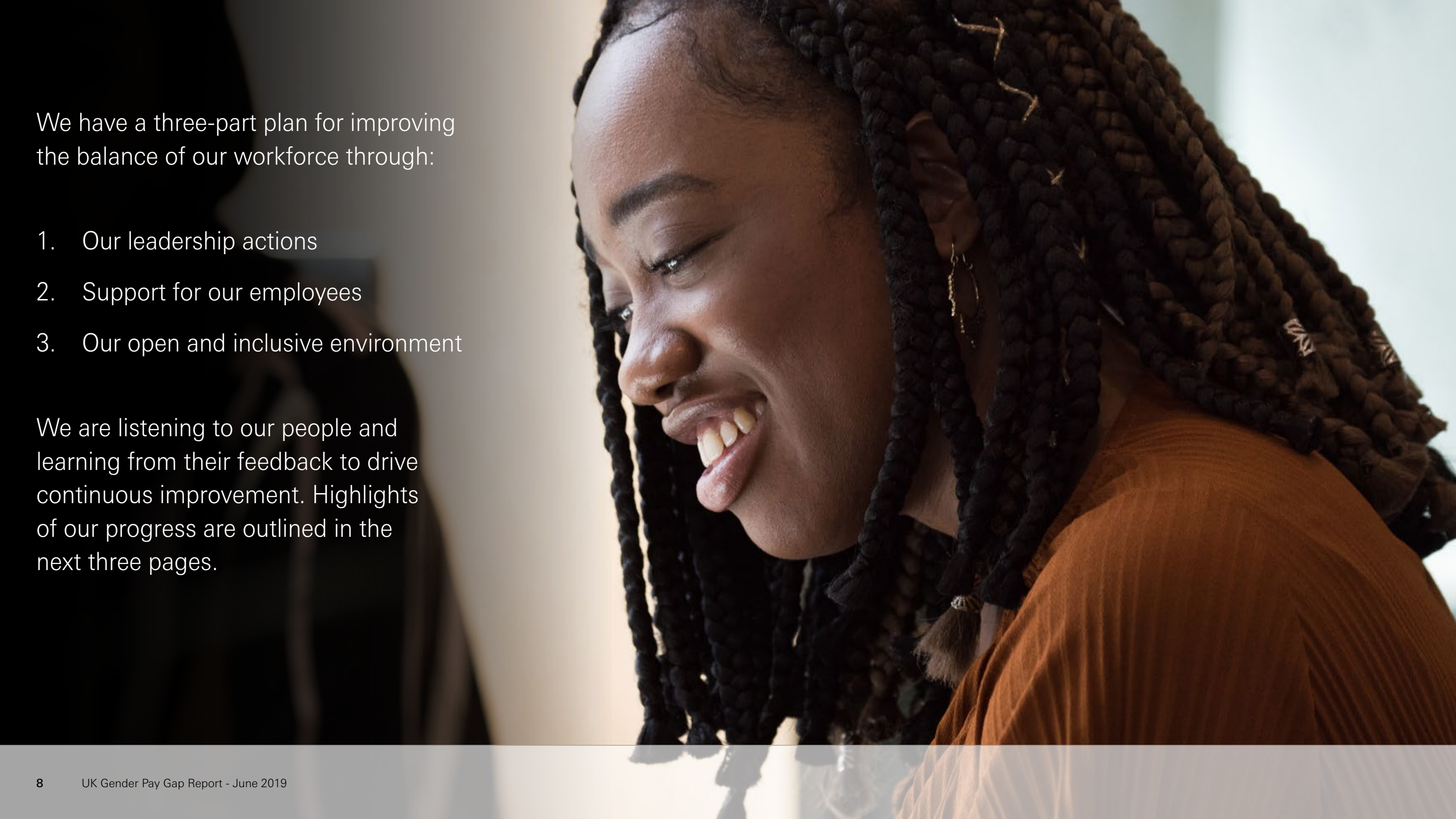
Our data below shows that we are making progress towards that balance across different levels of the bank. At the Group level, the share of women on HSBC's board is 35.7%, above the Hampton-Alexander Review's recommended target. The overall share of women in global senior leadership roles continues to increase year-on-year, and at the end of 2018 was 28.2%.

For our junior roles in the UK overall, 67% are held by women, and 37% of these are working part-time. Part-time employees receive their bonuses on a 'pro-rata' basis, however the gender bonus gap calculation does not take this into account. Nevertheless, we encourage flexible working to create a more diverse and inclusive workforce.

Share of women in senior leadership roles



We have increased the share of women in our graduate intake across the bank over the last five years.



We have a three-part plan for improving the balance of our workforce through:

1. Our leadership actions
2. Support for our employees
3. Our open and inclusive environment

We are listening to our people and learning from their feedback to drive continuous improvement. Highlights of our progress are outlined in the next three pages.



# Our leadership actions

Visible and committed leadership is a critical factor in creating equal opportunities in the workplace.

## Visible leadership

Our Group CEO John Flint led our conversations about gender balance during International Women's Day 2019, hosting global webcasts to discuss how women and men across HSBC can support a more inclusive workplace. Employees were invited to join a global 'call to action' on social media, resulting in the largest employee advocacy campaign in HSBC's history. Andy Maguire, HSBC's Group COO, is Executive Sponsor of our global employee network, BALANCE, which provides a forum for our people to highlight opportunities, raise issues and take action to accelerate progress on gender balance across the bank.

**Impact:**  
BALANCE now has nearly 50,000 participants globally, including around 10,000 men. Last year we appointed 60 new BALANCE ambassadors, including 20 from the UK, to promote gender balance actions across HSBC.

## Building strong partnerships

We realise the importance of building strong partnerships with like-minded organisations. We support the Hampton-Alexander Review in its commitment to improve gender balance in FTSE leadership for boards as well as executive committees and their direct reports, and we participate in its voluntary reporting. HSBC has been a longstanding supporter of the 30% Club, and Group CEO John Flint has signed up to its CEO Campaign committing to 30% women in senior leadership by 2020. Additionally we co-chair the 30% Club Strategy Best Practices Working Group which aims to develop and share

best practices across common business areas. HSBC UK was one of the first signatories of the Women in Finance Charter, which is committed to gender balance across financial services.

We recognise the importance of developing the next generation of female leaders in the UK, and since 2016 we have been sponsoring the HSBC Mentee Network, a community of senior female leaders who have participated in the Mentoring Foundation's FTSE 100® Cross-Company Mentoring Executive Programme.

**Impact:**  
Relationships with organisations like these enable us to collaborate on issues facing our sector, our customers and the communities in which we operate. They help us stay on top of best practice so we can improve further.

## Accountability

Since 2012, our Group Management Board has had aspirational gender diversity targets in their performance scorecards. We have a global people management objective which seeks to ensure that people managers are creating an inclusive team environment without bias. Additionally, this year managing directors in HSBC Bank Plc have performance objectives relating to gender balance across their teams.

**Impact:**  
Leaders and people managers understand the importance of improving gender balance and the role they must play to drive this change.

# Support for our employees

## Recruitment

HSBC requires gender diverse shortlists for all external senior leadership hires to support balanced hiring. We also recognise the importance of graduate recruitment to build a more balanced workforce for the long-term, and are continuing to drive a gender-balanced intake in the UK.

### Impact:

As you can see from the graphics on page 7, we have increased the share of women in our graduate intake across the bank over the last five years as well as increasing the share of women in senior leadership roles.

## Development

HSBC University provides resources and courses to support our leaders, people managers and individual employees in their development. A course on 'Making HSBC more inclusive' is available to help colleagues understand their own biases and to encourage them to call them out. Our 'Hiring Essentials' programme helps people managers build skills and confidence to make more inclusive hiring decisions with high calibre people from diverse talent pools. Access to the latest research on gender diversity best practices from trusted external experts is also provided.

### Impact:

In the UK year to date (as of 30 May 2019), 52.2% of learners on our flagship leadership and management programmes were women.

## Future leaders

We realise the importance of accelerating the progress of our women to strengthen the leadership pipeline, and particularly so in HSBC Bank Plc. Over the past two years, our Accelerating Into Leadership (AIL) programme has provided group coaching and development for high-performing manager-level women and is now being rolled out globally across our other businesses. Our Accelerating Female Leaders (AFL) programme, which focuses on the increasing the visibility, networks and sponsorship of high performing director-level women, has also been extended across business areas. 40% of AFL participants have already made lateral moves for more experience or been promoted.

### Impact:

These are promising new initiatives which are already starting to show positive outcomes. In 2019, 30% of newly promoted Managing Directors in Global Banking and Markets (global) were female, up from 16% in 2018.

# Our open and **inclusive** environment

## Enshrined in our values

We have committed to a diverse and inclusive workplace in our HSBC Values. Our values define who we are as an organisation and what makes us distinctive. As part of being “open to different ideas and cultures”, we focus on listening, treating people fairly, being inclusive and valuing different perspectives.

### Impact:

Employees receive a values-aligned behaviour rating based on observable day-to-day actions. This rating works alongside an employee’s performance rating within our annual performance management and variable pay processes.

## Employee networks

We have seven global employee networks which bring together employees with shared characteristics and common interests. Our networks focus on gender, age, ethnicity, LGBT+, faith, working parents and carers, and disability. Our Nurture network for parents and carers now includes almost 50,000 participants globally and our UK Flex network is supporting ongoing enhancements to our flexible working proposition.

### Impact:

By encouraging networks within our organisation, we enable our people to share their experiences, and we learn different ways to become a more diverse and inclusive workplace.

## Flexible working

We try to foster a culture where both men and women feel comfortable and supported in working flexibly, irrespective of their seniority or location. Pilots are underway within HSBC UK testing different options around flexible and remote working for client-facing teams. In HSBC Bank Plc, senior leaders are encouraging discussion to highlight the flexible working options which are possible for different types of roles. We have put in place a new framework setting out our vision and principles for flexible working and have also created a Flexible Job Design module within our people manager training programmes.

### Impact:

In our most recent employee survey, men and women in the UK responded equally positively about their ability to integrate work and personal life in a way that works for them.

## Parental leave and sabbaticals

We promote shared parental leave and sabbaticals. Parental leave coaching and toolkits are available for new parents and their managers in the UK, providing employees with access to support throughout the parenting transition. We provide emergency back-up care provision for both children and adults.

### Impact:

In 2018, 45% of UK employees on sabbatical were men. Within HSBC UK, 1,410 people have had the opportunity to participate in our parental transition programme since January 2018, of which 35% were men. We have a similar programme in HSBC Bank Plc.

“The Accelerating Female Leaders programme not only was a great enabling platform to enhance my network and visibility across different parts of the organisation, but helped me better understand the skills required for leadership roles in the bank”

**Burcu Senel**  
Global Head of Propositions,  
Global Trade and Receivables Finance  
**HSBC**

“Becoming a new parent is overwhelming enough without worrying about how to manage your return to work, or whether your new responsibilities will impact your career ambitions. Working with a coach and hearing their experience was a huge help in approaching these challenges positively and to be at my best when I came back.”

**Suzanne Allen**  
Programme Manager  
for Global Graduates  
**HSBC**

“Diversity in the wider sense leads to better decisions for businesses. I am surrounded by really, really smart women inside and outside of work, who constantly remind me that it’s a man’s world and we urgently need to change.”

**Andy Maguire**  
Group Managing  
Director and Group  
Chief Operating Officer  
**HSBC**

“Women don’t necessarily want different things from men; it’s more of a generational difference. Banking will have to change to adapt to a different type of workforce – the next generation. Otherwise, it simply won’t attract sufficient diverse talent.”

**Allegra Berman**  
Global co-head of HSS,  
Business Management  
**HSBC**



“Colleagues are sensing positive change in the bank with regards to diversity and inclusion and I hope to drive more conversations and initiatives on the subject in years to come”

On launching a global ambassador programme for gender:

“Gender diversity and inclusion can’t be seen as a separate initiative or one-off campaign; we’ve got to embed it in the way we run our business. So we’ve selected tenacious, influential people who can intensify the dialogue around gender across the Group – in our meetings, at our townhalls and in our day-to-day conversations.”

“It’s fantastic that the percentage of women working in financial services is far higher than when I started out 25 years ago, but I’d encourage women interested in a career in the sector to ensure they don’t limit themselves by the legacy of a traditionally male-dominated industry, and absolutely never accept being limited by others. It’s important that the industry nurtures female talent, ensuring they feel supported and that there aren’t any barriers preventing them from reaching the most senior roles.”

**Carrie Ng**

Head of Commercial  
Banking (CMB) in Guernsey  
**HSBC**

**Sam Cooper-Gray**

Global Head of Corporate  
Learning and Global  
Balance Co-Chair  
**HSBC**

**Sue Fox**

CEO Channel Islands & Isle  
of Man and one of the FT  
HERoes’ Top 100 Female  
Executives in 2018  
**HSBC**



# 5. Statutory declarations

UK entity	Employee headcount (as at 5 April 2019)	Pay gap		Employee population receiving bonus		Bonus gap		Gender distribution across pay quartiles							
		Mean	Median	%		Mean	Median	0 to 25%		>25% to 50%		>50% to 75%		>75% to 100%	
		M vs F	M vs F	M	F	M vs F	M vs F	M	F	M	F	M	F	M	F
HSBC UK	21,004	32.0%	18.7%	87%	87%	59.7%	44.3%	32%	68%	27%	73%	34%	66%	58%	42%
HSBC Bank Plc	2,009	55.1%	50.8%	95%	94%	68.5%	69.3%	50%	50%	69%	31%	77%	23%	93%	7%
Marks & Spencer Financial Services	1,370	13.4%	2.3%	85%	89%	36.1%	18.7%	33%	67%	24%	76%	27%	73%	38%	62%
HSBC Gobal Asset Management (UK) Ltd	388	39.4%	32.6%	90%	93%	60.0%	51.8%	49%	51%	69%	31%	71%	29%	84%	16%
HSBC Private Bank (UK) Ltd	300	36.4%	35.1%	94%	90%	52.2%	47.6%	37%	63%	45%	55%	64%	36%	73%	27%
HSBC Global Services (UK) Ltd <sup>1</sup>	11,452	28.6%	31.4%	91%	92%	44.0%	38.2%	39%	61%	52%	48%	66%	34%	72%	28%
HSBC Group Management Services Ltd <sup>2</sup>	5,232	37.8%	20.7%	92%	92%	58.7%	38.2%	40%	60%	48%	52%	59%	41%	69%	31%
HSBC Asia Holdings BV <sup>3</sup>	282	38.8%	35.3%	100%	97%	52.3%	45.4%	68%	32%	60%	40%	86%	14%	86%	14%
<b>Total</b>	<b>42,037</b>	<b>51.1%</b>	<b>47.8%</b>	<b>90%</b>	<b>89%</b>	<b>72.9%</b>	<b>60.5%</b>	<b>36%</b>	<b>64%</b>	<b>39%</b>	<b>61%</b>	<b>48%</b>	<b>52%</b>	<b>65%</b>	<b>35%</b>

**1.** UK Service Company including Operations, Technology, Global Functions and shared service roles

**2.** Global Service Company including Operations, Technology, Global Functions and shared service roles

**3.** Entity employing International Managers working across businesses / functions in more than 20 countries

# Our definitions

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## Hourly gender pay gap

The gender pay gap is the difference (mean and median) between the hourly rate of pay of male employees and that of female employees. The figure is expressed as a percentage of male pay.

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## Gender bonus gap

The gender bonus gap is the difference (mean and median) between the bonus paid to male employees and that paid to female colleagues. This is expressed as a percentage of the bonus paid to male colleagues. The bonus period in question is the 12 months ending on 5 April 2019.

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## Proportion of employees that receive a bonus

This calculation shows the proportion of employees (male and female) that receive a bonus during the reporting year. It is expressed as a percentage of all of HSBC's UK employees.

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## Percentage of males and females in each quartile of the pay distribution

This information reflects the balance of employees in four pay quartile bands. The bands are established by listing all employees out from lowest hourly pay rate to highest

and dividing the entire workforce into four equal parts. Once the quartiles are established the proportion of males and females in each is calculated.

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## Part-time workers

For our junior roles in the UK overall, 67% are held by women, and 37% of these are working part-time. Part-time employees receive their bonuses on a 'pro-rata' basis, however the gender bonus gap calculation does not take this into account. Nevertheless, we encourage flexible working to create a more diverse and inclusive workforce.

I confirm that the information and data reported are accurate and in line with the UK government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Elaine Arden**  
Group Chief Human  
Resources Officer  
HSBC



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Join the conversation



#HSBCBalance