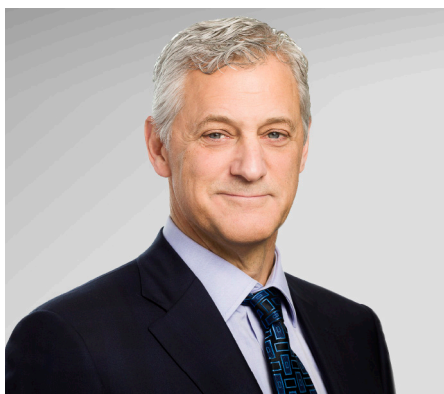


2018 Gender Pay Gap disclosure



Standard Chartered operates in over 60 markets and employs over 85,000 colleagues who come from 125 different countries. Being an inclusive employer and business is fundamental to our strategy and our purpose, “Driving commerce and prosperity through our unique diversity”. It is how we harness the most diverse range of thoughts, experiences, and skills that enable us to provide innovative solutions to our clients.

We are committed to promoting equality and creating an inclusive and flexible culture where everyone can realise their full potential, for our colleagues, our industry and the communities in which we operate. This is championed at all levels and markets within the Group, supported by our Global Diversity & Inclusion Council, which is chaired by Simon Cooper, CEO, Corporate, Commercial and Institutional Banking.

I personally find that the statistics in this report do not make for comfortable reading – we continue to have a gender pay gap in the UK and in other major markets. Our analysis shows that our gender pay gaps reduce to close to zero when we adjust for level and business area. The adjusted gender pay gap in the UK is 2% and it is between 3% and -1% across the four other major markets disclosed in this report. This demonstrates that our gap is driven by an imbalance in gender representation at senior levels across the Group.

Our Fair Pay Charter sets out our commitment to rewarding colleagues in a way that is free from discrimination on the basis of diversity, along with nine other principles for fair pay. We conduct equal pay analysis globally as part of our annual pay review cycle, with findings reviewed by senior leadership including the Group Management Team and Board Remuneration Committee.

We are committed to taking action which will, over time, address the gender pay gap. We signed the Women in Finance Charter to hold ourselves accountable for increasing senior female representation and are making good progress against our commitment. As at the end of 2018, 28% of our senior leadership roles are held by females, and we are on track to reach 30% by 2020. We have furthered our commitments by signing the UN Women Empowerment Principles and becoming a member of the 30% Club.

Our commitment to improving gender balance in business starts with the work we do at the community level across our markets. Our Goal programme aims to equip adolescent girls with the confidence, knowledge and skills they need to become integral economic leaders. This is now embedded in over 20 markets and, in 2018, we developed new areas of the programme, to equip girls to start generating their own income and developing their own micro enterprises.

We have pledged to contribute to building a more balanced and fair industry and are proud to be recognised as an industry leader by various organisations. We have been recognised by Equileap in their gender equality global report as a top performing UK company, ranked 3rd in the UK and 26th globally (up from 42nd globally in 2017). We are proud to have five colleagues recognised by the Financial Times & HERoes Champions of Women in Business 2018 for their commitment to lifting others as they climb and ultimately fuelling the female talent pipeline. We are one of 230 companies and 96 financial sector companies in the world to be included in the 2019 Bloomberg Gender Equality Index; for Standard Chartered, this is for the fourth consecutive year.

We are committed to closing the gender pay gap and this will only happen when we have an equal proportion of males and females at every level of the organisation and in every business area. You can read about the actions we are taking to enable the changes we need to see, later in this report.

I welcome feedback on our report and on our initiatives.



Bill Winters,
Group Chief Executive

What is the 'gender pay gap'?

The '**gender pay gap**' compares the average pay of male and female employees, without taking into account some of the key factors which influence pay. This definition comes from UK legislation that came into effect from April 2017.

This is different to '**equal pay**', which is a more detailed measure of pay equality. Equal pay compares the pay of males and females who are doing the same roles, or work of the same value, and takes into account key factors which influence pay, including different roles, skills, seniority and market pay rates.

Gender Pay Gap disclosure

We have set out calculations on the gender pay gap for UK employees, in line with UK legislation. To reflect our commitment to gender equality globally, we have gone beyond the legislative requirements by publishing our gender pay gap for some of our major markets.

We have a gender pay gap because we have fewer females than males in senior roles and in businesses where the market rates of pay are highest. The bonus pay gap is larger than the hourly pay gap for the same reasons. There are proportionally fewer females than males in roles where a higher proportion of total remuneration is delivered in variable pay.

Our gender pay gaps reduce when we compare male and female roles at the same level and in the same business area. We continue to review pay and performance outcomes globally as part of our annual performance, pay and potential process, to ensure we provide equal pay for equal work.



As at the end of 2018, females account for 46% of our colleagues globally and 36% of the Management Team. 28% of our senior management roles globally are filled by females, up from 26% in 2017. Two of our four regions, and a number of our large markets including China, Hong Kong, India, Nigeria and the UAE, are led by female CEOs.



46%
Female colleagues globally



36%
Female Management Team



28%
Female senior management roles

We continue to work towards our Women in Finance Charter pledge to have females hold 30% of our senior leadership roles by 2020.



Our performance scorecards include measures to improve diversity within our senior management teams. This means that the variable remuneration of our senior leaders is impacted by the progress made on gender diversity.

What are the calculations based on?

The regulations require all companies with at least 250 UK employees on the snapshot date of 5 April 2018 to publish details of their gender pay gaps for salary and bonus. As the reporting is based on a snapshot of active employees on 5 April, there will be changes in the population each year in relation to joiners, leavers and transfers to other locations.

We recognise that a spectrum of gender identities and expressions exist, however the gender pay gap has been calculated using the approach required by legislation, which compares the pay of males and females.

Standard Chartered is a global employer and employs more than 85,000 people, the large majority of whom are outside of the UK. We are committed to addressing gender diversity globally and so have included additional data for a large market from each of our four regions.

What do 'mean' and 'median' mean?

In this report, we refer to 'mean' and 'median'. The 'mean' is the average of all male colleagues compared to the average of all female colleagues.

The 'median' is the mid-point of all male colleagues compared to the mid-point of all female colleagues and, therefore, should not be affected by outliers (unlike the mean).

What is our UK gender pay gap?

Figures 1 and 2 below show the hourly and bonus gender pay gaps in the UK.

The mean hourly pay gap in the UK has increased from 30% in 2017 to 32% in 2018. While an increase in the gap appears incongruous with making progress on gender equality, we acknowledge that the actions we are taking to close the gap will take time and that in the short-term, small changes in the population will continue to impact the gap. Figure 3 shows the progress we have made in increasing female representation in the upper quartiles of pay.

The mean bonus pay gap has decreased from 57% in 2017 to 49% in 2018. While we are pleased to report a reduction in the bonus gap, we would note that a short-term year on year comparison is of limited use, as there will be changes in the distribution of bonus payments relating to Group, business area and individual performance, in addition to changes in the population.

Figure 1: Hourly and bonus pay gap

This shows our mean and median hourly pay gap and bonus gap by gender for 2018 and in 2017. Percentages are expressed as a percentage of the male figure.

In line with the reporting requirements, bonus figures do not include colleagues who were eligible to be considered for a bonus but did not receive one due to performance not meeting the expected standard.

	2018	2017	Year on year change
Mean hourly pay gap	32%	30%	Gap increased by 1.6% points
Median hourly pay gap	32%	31%	Gap increased by 0.1% points
Mean bonus pay gap	49%	57%	Gap decreased by 8.5% points
Median bonus pay gap	49%	55%	Gap decreased by 5.7% points









Figure 2: Proportion of colleagues receiving a bonus

This shows the percentage of male and female colleagues in the UK who received a bonus in 2018 and in 2017. In line with the regulations, this does not include colleagues who were not eligible to receive a bonus due to, for example, their start date, nor colleagues who were eligible but did not receive a bonus due to performance.



Figure 3: Pay quartiles

Pay for each UK employee has been ranked from highest to lowest and then split into four equally sized groups (quartiles). The illustration below shows the distribution of male and female colleagues across each of the quartiles in 2018 and in 2017. Female representation has increased in all quartiles, as the year-on-year increase in females in the calculation is higher than the increase in males.

	2018	2017	Male	Female	2018	2017
Top quartile (highest paid)	77%	80%			23%	20%
Upper middle quartile	63%	64%			37%	36%
Lower middle quartile	57%	58%			43%	42%
Bottom quartile (lowest paid)	39%	40%			61%	60%

What is our gender pay gap in other major markets?

We have disclosed gender pay gaps in four of our other major markets on a voluntary basis, with calculations based on annualised salary as at the snapshot date, as shown in Figure 4.

Figure 4: 2018 Hourly and bonus pay gap

	Hong Kong	Singapore	UAE	US
Mean hourly pay gap	23%	36%	27%	23%
Median hourly pay gap	17%	39%	21%	20%
Mean bonus pay gap	43%	50%	56%	49%
Median bonus pay gap	39%	39%	43%	31%

What is the gender pay gap for roles at the same level and business area?

The gender pay gaps shown in Figures 1 to 4 compare the pay of men and women without taking into account the factors which determine the equality of pay, including seniority and business area. When we compare the pay of males and females at the same level and in the same business area in the UK, the gender gap reduces to 2%. This 2% exists due to differences in the market pay level for different types of roles at the same level and in the same business areas. The same trend exists in other markets, as shown in Figure 5.

Figure 5: Gender pay gap by level and business area

Mean hourly pay gap for:	UK	Hong Kong	Singapore	UAE	US
All jobs	32%	23%	36%	27%	23%
Jobs at the same level and business area	2%	-1%	1%	-1%	3%

What are we doing about our gender pay gap?

“Gender equality is a critical factor that will further our success. We’re committed to empowering women in the workplace.”

Simon Cooper, CEO, Corporate, Commercial and Institutional Banking
and Chair of our Global Diversity and Inclusion Council

Our Global Diversity and Inclusion Council is made up of senior leaders from across our footprint. The Council is responsible for overseeing the development and implementation of the diversity and inclusion strategy, which focuses on various aspects of diversity, including ethnicity, sexual orientation, generation and disability, as well as gender.

Our Diversity and Inclusion Standard sets out how we ensure a respectful workplace, with fair and equal treatment and provision of opportunities for colleagues to participate fully and reach their potential in an appropriate working environment. All employees, contractors and suppliers of the Group are required to take personal responsibility to meet the Standard and related policies.

Providing equal development opportunities for our talent is key to supporting our female talent pipeline. Diversity and inclusion considerations are built into our processes and policies to support People Leaders in making objective and fair decisions, including gender balanced candidate lists for hiring and promotion, and the review of succession plans to ensure appropriate gender representation.

During 2018, we launched our Inclusive Leadership Programme, which is designed to support all People Leaders in understanding the importance of developing an inclusive work environment and equipping them with skills and capabilities to drive change. We have continued to review our policies and processes to mitigate unconscious bias including refining the performance assessment process and reviewing our job descriptions and internal communications to introduce gender neutral language and tone, whenever possible and appropriate.



Other initiatives include:

Global Talent Research

Our Global Talent Research (GTR) team was created in 2018 to improve our internal and external search capabilities. Over 50% of the external talent that was sourced and hired by this team was female.

Wellbeing offerings

Wellbeing offerings, which include childcare support, maternity counselling for employees and people leaders, mother's rooms, and childcare and creche facilities.

Flexible working

Flexible working practices, which ensure all of our colleagues, globally, have the opportunity to choose how they work, and our global standards for parental leave which provide fully paid maternity leave for a minimum of 20 calendar weeks, and fully paid parental leave for partners for a minimum of two calendar weeks.

Gender Employee Resource Groups

Our Gender Employee Resource Groups, where colleagues of all genders share ideas on how to improve gender diversity and collaborate across our footprint. Examples of initiatives spearheaded by these networks include mentoring programmes for females and seminars from senior leaders.

Safety and Security

Our safety and security initiatives provide support to and empower female colleagues living and working in countries with a history of heightened violence against females. First piloted in India, this programme has now been run in 21 markets. It includes self-defence training and a one-touch response mobile phone application to enable females to feel safe and confident to progress with their career with Standard Chartered.

How are we supporting females in our communities?

Educating girls and giving them tools to shape their own future has a multiplier effect on their families, communities and societies. Through a combination of sports and life skills training, our Goal programme aims to equip adolescent girls with the confidence, knowledge and skills they need to become integral economic leaders.



Between 2006 and 2018, Goal empowered over 481,900 girls across more than 20 markets. In 2018, 1,421 girls received work readiness training, including language training sessions, internships and support in creating career pathways. Additionally, 336 girls secured paid roles as a direct result of participating in the programme. We added a new Goal module in 2018 on business readiness, which equips girls to start generating their own income and developing their own micro enterprises.

How do we know we provide equal pay for equal work?

We are committed to providing equal opportunities and our reward policies and practices do not discriminate based on personal characteristics.

We continue to focus on ensuring market competitive levels of pay for all colleagues. For all roles at all levels, we use externally sourced market data to help guide pay decisions, along with other factors such as skills and experience, performance, affordability and availability of talent. We carry out assurance as part of our annual pay review cycle to review any potential gender bias. Detailed equal pay checks are conducted by HR teams as part of that process.

During 2018, we adjusted our hiring processes in the United States, to remove the need for candidates to share existing compensation data on hiring, to ensure packages are being set with reference to benchmark data and relevant skills and experience rather than historical earnings. We will use our experience of this change to inform thinking on whether we can extend the practice to additional locations in the future.



What are our public commitments?

1

We signed the UK HM Treasury Women in Finance Charter in 2016. While the Charter is a UK-focused initiative, we have broadened our commitment globally and pledged to appoint females into 30% of our senior leadership roles by 2020.

Since signing the Charter, female representation in our senior leadership roles has increased from 25% to 28% at the end of 2018.

2

As a member of the 30% Club, we support 30% female representation on our Board and we also voluntarily replicate its five factors to strengthen female representation in the leadership pipeline.

Female representation on our Board is currently 33%. In alignment with the five factors, we set measurable goals which are supported by our policies, practices and action plans, a strong tone from the top, and collaboration across our markets and our businesses.

3

We are a signatory to the UN Women Empowerment Principles, aligning our own goals with seven principles offering guidance on how to empower females in the workplace, market place and community.

4

Our Fair Pay Charter, launched in early 2018, is a public declaration of the principles which guide all of our reward and performance decision-making, including our commitment to rewarding colleagues in a way that is free from discrimination on the basis of diversity, as set out in our Group Code of Conduct.