



Barclays PLC
Fair Pay Report 2021



Barclays is a British universal bank. We support individuals and small businesses through our consumer banking services, and larger businesses and institutions through our corporate and investment banking services.

Growing. Together.

Our Purpose

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

 Read more on why and how we are growing together on page 2 of our Annual Report at home.barclays/annualreport

... influences our strategy ...

Our diversification, built to deliver double-digit returns




Strategic priorities to sustain and grow



 Read more on our strategy on page 10 of our Annual Report at home.barclays/annualreport

... which we will deliver through the Power of One Barclays ...



 Read more on our business model on page 12 of our Annual Report at home.barclays/annualreport


... creating positive outcomes for our stakeholders.

Customers and clients

Colleagues

Society

Investors

 See our Key Performance Indicators on page 20 of our Annual Report at home.barclays/annualreport

Which in turn helps us fulfil our Purpose

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Our Fair Pay disclosures form part of the Barclays PLC annual reporting suite.

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Our experience, insight
and adaptability help
unlock opportunities.

→ See our back cover for an example
of how we are growing, together.



Introduction

This is our fourth Fair Pay Report, bringing together the different ways we think about fair pay at Barclays and providing an update on our progress in putting fairness at the heart of the way we pay our people.

Committed to fairness

At Barclays, paying people fairly is an essential element of our pay philosophy, and we believe that treating colleagues in this way is part of what helps our organisation to be successful. We are committed to fairness and transparency in our approach to pay – from adopting simple and effective pay structures for our lowest paid to how we align employee and Executive Director pay.

For many years, we have worked to ensure that fairness is a key consideration in the way we make all of our pay decisions and in 2018 we first published our "Fair Pay agenda" in support of that. Fairness has been a formal and explicit element of our remuneration philosophy since 2019. We continue to evolve our approach and are always seeking to improve.

This year we have gone further in the way we explain to colleagues how pay and performance aligns to fairness, and we have taken steps to strengthen many of the things we are doing. We have continued to progress our work on global living wages, enhanced our benefits offering in key jurisdictions and begun to simplify the way we pay more junior colleagues, which we intend to continue to do over the coming years.

We reward sustainable performance – this is another key element of our remuneration philosophy. Sustainable performance means making a positive contribution to our stakeholders, in both the short and longer term. As always, consideration of how we performed through this lens was an important part of how we made our variable and fixed pay decisions this year. We took into account a number of important considerations before we reached our conclusions and we are confident that we continue to pay in a way that aligns with the expectations of our stakeholders.

This report sets out further details on our approach to fair pay, including progress made this year, progress made over the four years since we first started our fair pay reporting and our plans for the future. We hope you find it informative.



Brian Gilvary
Chair, Board Remuneration Committee

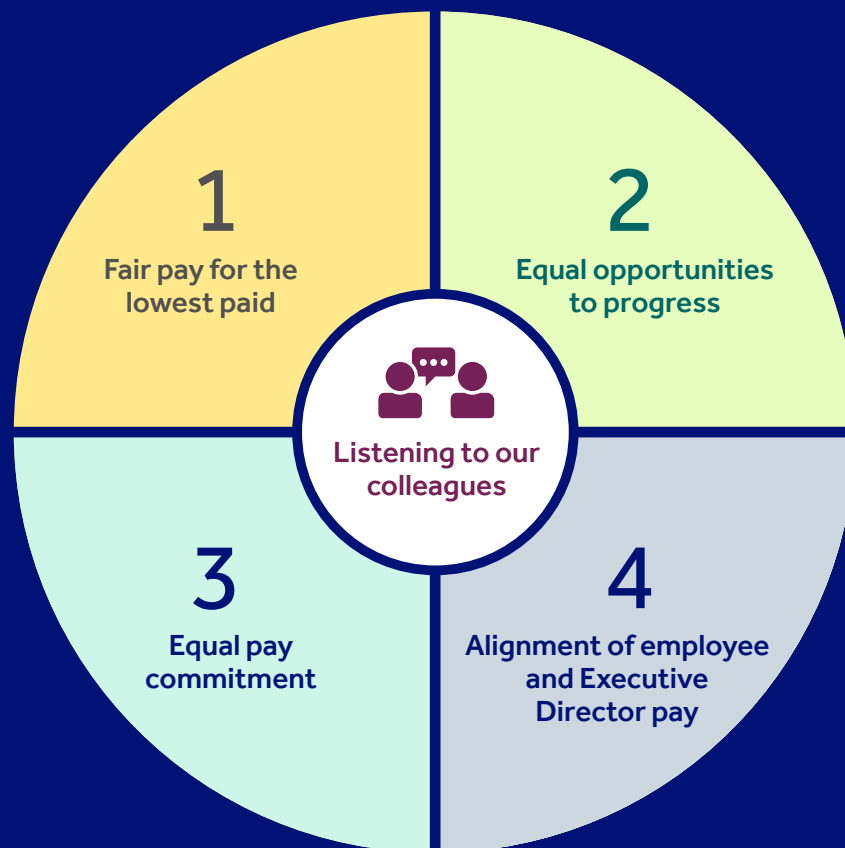
Tristram Roberts
Group Human Resources Director

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Fairness has been a formal and explicit element of our remuneration philosophy since 2019.

Fair Pay Agenda

We have developed our approach over a number of years in making sure that fairness is a key, and explicit, consideration in the way we make all our pay decisions.

At a glance



2021 achievements

1 Fair pay for the lowest paid

Paying fairly for work done, in a simple and transparent way.

- Continued to progress our work on global living wages, reviewing all our locations around the world to ensure we pay a living wage, and increasing minimum pay in the UK and US above local living wage levels
- Provided salary advances and supplemented medical cover to support colleagues in India through the devastating impact of the Delta variant of COVID-19
- Simplified incentives for colleagues in US contact centres by replacing four historical plans with a single, consistent and more transparent approach
- Enhanced medical benefits in the UK and US, and offered at a lower cost for junior colleagues in the US

3 Equal pay commitment

Rewarding employees fairly for their contribution and making sure pay and performance decisions never take into account any protected characteristics.

- Explicit communication to managers that pay decisions must not take into account gender, age, ethnicity, disability, sexual orientation, religion, marital status, pregnancy, maternity, parental leave or any other protected characteristic
- All grievances raised by employees, including any issues relating to pay, are investigated

Listening to our colleagues

Engaging with colleagues to understand their views on the culture of the organisation and enabling the representation of employees in remuneration decision-making.

- The Inclusion Index score measures how included our colleagues feel. For 2021 it is 79%, up from 76% in 2020
- Launched our Wellbeing Index, to measure the wellbeing of colleagues and how it changes over time
- Engaged with Unite the Union on a range of topics including fair pay, the UK pay deal and employee wellbeing

2 Equal opportunities to progress

Providing equal employment opportunities to all, so everyone can enjoy a successful career at Barclays.

- Published Race at Work Ambitions in the UK and US to increase the number of colleagues from underrepresented ethnic minorities
- Introduced granular ethnicity pay gap reporting in the UK, separating out the differences in pay between Black, Asian or Multiracial colleagues compared to white colleagues
- Achieved our 2021 female senior leadership (Managing Directors and Directors) target of 28%, up from 24% at the end of 2018 when the target was set
- Published our new Gender Ambition to increase the proportion of female senior leaders globally to 33% by the end of 2025

4 Alignment of employee and Executive Director pay

Linking both Executive and employee pay to sustainable business performance.

- Our pay policies are strongly aligned across the wider workforce, senior employees and the Executive Directors of Barclays PLC
- Where pay policies differ, this is aligned to differences in seniority and ability to influence business performance
- Pay outcomes continue to be aligned with financial and non-financial performance

1

Fair pay for the lowest paid

Fair pay means paying the right salary, awarding the right incentives, providing the right benefits and delivering the right level of support in the workplace. For this to be effective, it must be done in a way that is simple and transparent for our employees.

During 2021, we reviewed different aspects of pay for our lowest paid colleagues and found opportunities for enhancements. In addition, we also continued supporting colleagues dealing with the ongoing effects of the COVID-19 pandemic.

Exceeding the living wage in key locations

We pay more than the living wage in these locations, covering 93% of colleagues globally, with these minimum hourly rates from March 2022.

UK

£11.00

2021: £9.50

US

\$20.50

2021: \$17.00

India

₹140.00

2021: ₹140.00

Four years of reporting: our progress

- Progressed from UK living wage employer in 2017 to now paying above the UK living wage
- Reviewed living wages in all other locations and now meeting at least the benchmarks for each country
- Increased UK pension contribution for lowest earners from 10% to 12% in 2020

Living wages review

Paying at least a living wage to all our colleagues is at the heart of our Fair Pay agenda. In the UK, our minimum rate of pay will move from £9.50 to £11 per hour, exceeding the national benchmark set by the Living Wage Foundation. This is part of the 2022 pay deal for c.43,000 employees with a total salary increase budget of 4.25%, which for our most junior colleagues earning at the minimum rate of pay equates to an increase of 12.8%.



Fair pay for the lowest paid continued

Branch-based employees in Greater London will continue to receive a London allowance of £5,000 per annum. This, combined with our UK-wide minimum rate of £11 per hour, is significantly more than the Living Wage Foundation benchmark for London.

In the US, we reviewed the pay of our lowest paid colleagues, as a result of which we will increase wages to at least \$20.50 per hour from March 2022. This represents an average increase of 39% since 2019, when we first introduced a minimum wage of \$15 per hour in line with the Fight for \$15 campaign. All other US colleagues earning under \$25 per hour will receive a salary increase up to 10%. For all our other locations, including India, we continue to at least meet the living wage benchmarks set by the Fair Wage Network for each country.

Focus on simplicity

During 2021, we looked for opportunities to further simplify our pay structures. In the US, we are enhancing the formulaic incentive plans for our contact centre colleagues by providing a simpler, more transparent plan from 1 April 2022. We are replacing four historical plans with a single plan, supporting career progression for colleagues and talent mobility across centres.

Enhanced medical offering

Our commitment to our lowest paid colleagues extends beyond pay; we offer a comprehensive package of benefits including life assurance and medical insurance.

In 2021, the medical coverage in India was enhanced to include a number of advanced treatments such as maternity related complications and exhaustive cancer related treatments.

From 2022, a new US medical option is available, providing more predictable costs and lower monthly premiums. This is especially beneficial to lower-paid colleagues, who will see significant lower monthly premiums, down as much as 60% through this option.

Additionally, employees in the US can access materials to support them as they transition to become parents, through a digital programme and 1:1 coaching from registered nurses, midwives, lactation and sleep consultants and mental health professionals. This support covers the spectrum of employee needs from conception (natural or assisted) to parenting and return to work. A \$30,000 lifetime maximum benefit for fertility services in the US has been replaced with a new comprehensive benefit, combined with personalised support from leading fertility specialists and the latest advancements in science and technology to improve the patient journey and outcomes.

UK medical cover from April 2022 will include support to establish a diagnosis of autism spectrum disorders, attention deficit hyperactivity disorder (ADHD), dyslexia and dyspraxia capped as a lifetime benefit. For colleagues, a diagnosis can be used to inform any Barclays Workplace Adjustments. There will be cover for the treatment of menopausal symptoms when referred to a specialist by a GP. In addition, specialist menopause support will be available, allowing employees to access support and information from expert practitioners, video consultations, peer support groups and monthly live events.

Responding to the pandemic

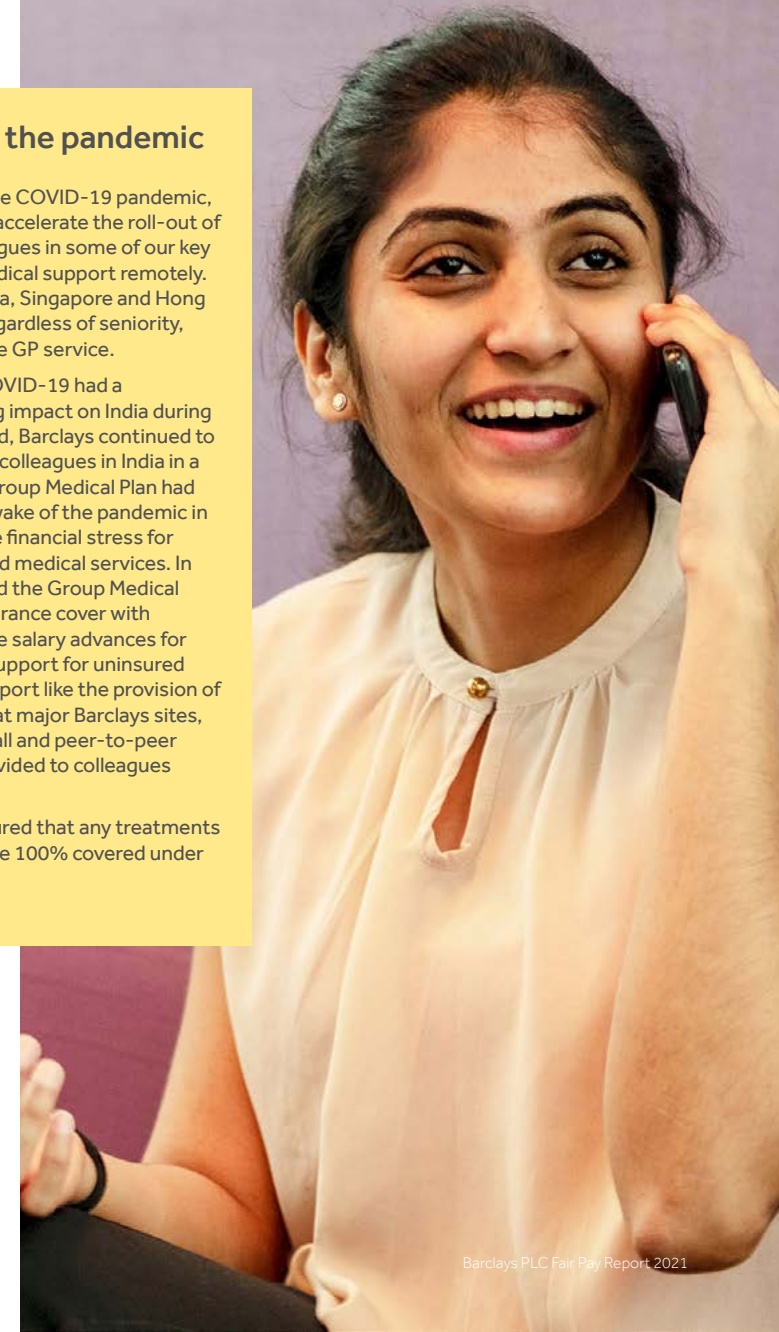
Due to the impact of the COVID-19 pandemic, we made a decision to accelerate the roll-out of facilities to allow colleagues in some of our key locations to access medical support remotely. Now, in the UK, US, India, Singapore and Hong Kong, all colleagues, regardless of seniority, have access to a remote GP service.

The Delta variant of COVID-19 had a particularly devastating impact on India during 2021. During this period, Barclays continued to provide support to our colleagues in India in a number of ways. The Group Medical Plan had been enhanced in the wake of the pandemic in 2020, helping to reduce financial stress for colleagues who required medical services. In 2021, we supplemented the Group Medical Claim and Parental Insurance cover with additional measures like salary advances for junior colleagues and support for uninsured parents. Additional support like the provision of oxygen concentrators at major Barclays sites, specialist doctors on call and peer-to-peer helplines were also provided to colleagues across India.

In the US, we have ensured that any treatments related to COVID-19 are 100% covered under medical insurance.

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From 2022, a new US medical option is available, providing more predictable costs and lower monthly premiums.



Fair pay for the lowest paid continued

Protecting wellbeing

Mental health and wellbeing continues to be a major focus in our efforts to support colleagues, with 88% telling us they feel their manager supports their efforts to maintain wellbeing. We were one of the first businesses to sign up to the Mental Health at Work Commitment and all colleagues are assigned our Mental Health Awareness eLearning. In 2021, all colleagues were also assigned a new module focussed on developing a supportive culture, including practical advice and tools for providing effective, appropriate support for others.

A new financial wellness programme was launched for US employees at the start of 2021. Employees use the programme to gain new knowledge, develop and enhance their personal financial skills and obtain 1:1 coaching and counselling.

We also provide a broad range of support on financial and other wellbeing issues to all of our colleagues through our Be Well portal, as well as support in dealing with life events through our Employee Assistance Programme.

Supporting mental health

The health and safety of our colleagues is of paramount importance to us. This has informed our approach to our phased return to office working and our transition to hybrid working. This has been done in line with public health guidance across the jurisdictions in which we operate. We have ensured that guidance on wellbeing is at the centre of our plans, including our global "healthy habits" campaign and ensuring wellbeing content is interwoven into a range of colleague and manager return to office eLearning modules.

As part of our celebration of World Mental Health Day 2021, we ran a programme of events and internal news stories to promote issues relating to mental health and wellbeing to colleagues. We provide information to all colleagues on how to protect their mental health and recognise that it is common to feel anxious sometimes, particularly as the world feels the impact of the COVID-19 pandemic, and that "It's OK to not feel OK".

What's next?

There is still a lot we want to achieve. During 2022, we will continue to focus on pay simplification and review ways to improve simplicity and transparency in the way we pay our lowest paid colleagues.



Listening to our colleagues

Wellbeing

The development of our new Wellbeing Index this year, with a starting score of 84%, will give us a consistent metric for measuring the wellbeing of colleagues. In time, it will mean we can better understand the impact of particular activities on colleague wellbeing and continue to evolve our wellbeing offering.

Unite Partnership

In the UK, we continue our productive partnership with Unite the Union. Our engagement with Unite this year has focussed on the mental and physical wellbeing of our colleagues, particularly the impact of the pandemic and return to office plans.

We also discussed our approach to pay and the Fair Pay agenda, and agreed minimum salary levels in the UK and for London that are above the benchmark levels set by the Living Wage Foundation.

We agreed a 2022 pay deal for c.43,000 colleagues with a total salary increase budget of 4.25%. The deal reinforces the Barclays commitment to provide competitive and fair pay in the context of continued recognition for colleagues in what has been an unprecedented time.



It's important to Unite and our members that they are paid fairly. This year, we are pleased to agree with Barclays that their UK minimum hourly rate is increased beyond the benchmark set by the Living Wage Foundation. We'll continue to work with the Bank to build on this progress.

Dominic Hook
Unite National Officer



Mental health and wellbeing continues to be a major focus in our efforts to support colleagues, with 88% telling us they feel their manager supports their efforts to maintain wellbeing.

2

Equal opportunities to progress

Barclays is an Equal Opportunities Employer. This means we want to recruit, recognise, reward and retain talented individuals from all backgrounds. Every employee should be able to enjoy a successful career at Barclays and progress through the organisation.

Employees can earn more as they progress and become more senior, and so ensuring that all of our people have equal opportunities to progress is an important part of fair pay.



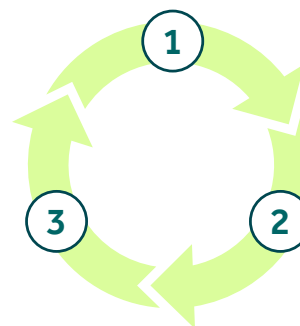
Four years of reporting: our progress

- Being one of the first UK firms to publish ethnicity pay gaps, in 2019
- Publishing our childcare policies externally since 2020
- Developing our strategy on ethnic diversity and publishing Race at Work ambitions during 2021
- Increasing our female senior representation from 24% in 2018 to 28% in 2021
- Enhancing our ethnicity pay gaps reporting to publish at more granular levels with effect from this year's disclosure

Performance management approach supporting a fair and balanced process

The continuous performance management (CPM) cycle is designed to drive and enable successful performance, while embedding our Values and Mindset through regular performance conversations. Year-end performance ratings are a factor that feeds into how colleagues are rewarded and how they progress through the organisation.

Within the CPM cycle, there are three core activities to support a fair and balanced process



1 Setting objectives and behavioural expectations

Setting objectives and behavioural expectations takes place at the start of the performance year. Managers and colleagues agree "what" should be delivered (performance against objectives), aligned to individual and business priorities, as well as the behavioural expectations of "how" these objectives should be achieved (demonstration of our Values and Mindset). The objective-setting process includes the cascade of a consistent Group-wide inclusion objective to every colleague across the Group, which is focussed on building a culture that values difference and on the actions that all colleagues can take to be consciously inclusive.

2 Reviewing performance

Reviewing performance occurs on an ongoing basis throughout the performance year. Progress against the "what" and "how" is discussed during regular conversations between managers and colleagues to enable appropriate support to be provided and to ensure objectives and expectations remain relevant.

As part of the CPM process, colleagues are encouraged to seek regular feedback from a variety of sources to help support their ongoing performance and development. This helps create greater balance and visibility to individual performance, which can be particularly helpful in a hybrid working environment.

3 Assessing performance

Assessing performance is carried out formally at the end of the performance year. Individual performance is assessed and rated in terms of both the "what" and "how" of what has been achieved, as two equally important dimensions. Managers are given guidance to support them making fair and balanced performance assessments including a programme of annual eLearning.

Local calibration reviews are encouraged to help ensure fairness. During these reviews, the aim is to calibrate ratings for each business area so that business leaders can satisfy themselves that the ratings fairly represent the overall performance within their business area, taking all factors into account, and to ensure that there is consistency in how performance ratings have been determined.

Equal opportunities to progress continued

Reinforcing the right behaviour through recognition

The new "Recognition at Barclays" platform, launched in April 2021, gives all colleagues a simplified and more user-friendly opportunity to recognise each other in the form of a "Thank you". This allows everyone to shine a light on colleagues' outstanding performance and everyday excellence. By doing so, this reinforces our culture and our focus on putting our Purpose, Values and Mindset into action, enabling our long-term success. Since the launch of the new platform, colleagues have said Thank you via the platform over 370,000 times.

The platform enables an effective balance of non-financial recognition, through the use of e-Thank yous, visible through a social recognition newsfeed with the ability to "like" and comment, as well as financial recognition, through "Thank you with points" – a simple and agile points allocation process allowing leaders to reward colleagues who demonstrate our Values and Mindset with points which can be redeemed for gifts.

The platform can be accessed via mobile or desktop, providing enhanced accessibility and visibility to recognition moments, enabling colleagues and leaders to easily share and celebrate each other's achievements. The platform is used for all elements of recognition including Service milestones, Group Chief Executive awards, Citizenship and Diversity awards and Exceptional Achievement Awards, ensuring visibility and providing a more consistent approach.

Balancing work and family life

We know that supporting colleagues to balance their life and work commitments helps them to achieve their personal and professional goals, enabling them to progress through the organisation.

Since April 2021, we have been providing UK employees with access to specialist support on a range of topics, across personal, elder, child and disability care.

Similarly, US colleagues have access to work and family specialists, via Bright Horizons. This includes in-home child and adult care, centre-based child care and virtual tutoring sessions for children. Centre-based care is available through a network of locations across the US as well as in the Barclays onsite child care centres in our New York office and our Whippany Campus. To support colleagues during the summer months, while schools were closed for the holidays, the number of sessions offered to each dependent was increased from 20 to 30.

UK Pay Gaps

This year marks the fifth anniversary of our UK gender pay gap reporting. Over the last five years, female representation in more senior roles has increased and this in turn has contributed to a reduction in our hourly gender pay gaps.

This is also the fourth year we have published our UK ethnicity pay gaps. Here, to shine a light on the opportunities we have to improve representation of underrepresented groups within our business, we have for the first time published separate ethnicity pay gaps for colleagues who identify as belonging to the Black, Asian or Multiracial ethnic groups.

Full details of our UK gender and ethnicity pay gaps are set out in our UK Pay Gaps 2021 disclosure. Go online at home.barclays/diversity

Diversity & Inclusion at Barclays

Barclays remains committed to building a supportive and inclusive culture, where people of all backgrounds are represented, feel they belong and can bring their whole selves to work.

People with different perspectives and life experiences make our organisation stronger, so we are committed to creating a culture that is diverse and inclusive. We focus on six core agendas – disability, gender, LGBT+, multicultural, multigenerational and socio-economic inclusion.

We track the changing composition of our workforce through online gender and ethnicity dashboards that make sure that our senior leaders understand the makeup and needs of the organisation. In our 2021 employee survey, 82% of our colleagues say they believe senior leaders are committed to building a diverse workforce.



Full details on all our diversity and inclusion initiatives can be found in our [Diversity & Inclusion Report 2021 at home.barclays/annualreport](https://home.barclays/annualreport)

Employee Resource Groups

For over 15 years, diversity networks have provided a space for colleagues to celebrate diversity and foster belonging. More recently, they are playing an ever-increasing role as a sounding board for the business, driving a better understanding of the needs of our customers, clients and communities. To recognise this important role, in January 2022 the diversity networks were relaunched as Employee Resource Groups (ERGs).

The ERGs amplify the unique challenges of diverse groups at Barclays, providing insight into colleague sentiment and experience. They also actively help the bank make the right decisions for its customers, clients and communities, and can support with the development of products and services that are truly inclusive. There are currently twelve ERGs, with over 25,000 unique members, allies and sponsors globally.



82% of our colleagues say they believe senior leaders are committed to building a diverse workforce.

It starts
with a
Thank you

Equal opportunities to progress continued

Building a diverse workforce

People with different perspectives and life experiences make our organisation stronger, so we are committed to attracting, developing and retaining a workforce that is as diverse and inclusive as possible. Some of the actions undertaken in 2021 are outlined below. We define underrepresented ethnicities as Black and Multiracial (Mixed Race) in the UK. In the US, we define underrepresented ethnicities as African American/Black, Hispanic/Latino, Multiracial, Native American, Native Alaskan, and Hawaiian/Pacific Islander.

Hiring

- Identifying diverse talent in the market at the Executive level, as well as actively engaging with a broad range of external candidates, to improve the diversity of our leadership over time
- Partnerships with platforms like Women In Derivatives (WIND)
- Career fairs with National Urban League (NUL) and Grace Hopper Celebration of Women in Computing to bolster the recruiting of diverse talent
- Engagement with Sponsors for Educational Opportunity (SEO) in the UK and Modern Guild in the US to attract high-achieving graduate candidates from underrepresented groups

Development

- There is a wide range of career development support for all Barclays colleagues delivered through workshops, digital learning and development tools
- Targeted opportunities for diverse talent, providing leadership development, coaching, sponsorship and experiential development opportunities, including increasing the number of ethnically diverse ex-officio appointments on our most senior committees
- Investing in flagship diverse talent programmes:
 - Launchpad: designed to accelerate the career development of mid-level ethnically diverse and female colleagues
 - Momentum: a development programme designed for underrepresented colleagues focussed on addressing gender inequality at senior levels
- Collaboration with ERGs (Black Professionals, Latin Professionals and Win – The Gender ERG) and the Enhanced Internal Mobility programme to provide career counselling and interview preparation for colleagues

Retention

- Building a supportive and inclusive culture, with 88% of our employees saying that they feel included within their team
- Helping colleagues balance their life and work commitments, with 83% saying that they are able to balance personal and work demands
- Providing colleagues opportunities to learn and grow – 88% of our colleagues feel working at Barclays is a process of learning, changing and growing and 83% say it gives them a sense of personal accomplishment



Equal opportunities to progress continued

Diversity Ambitions

We remain committed to improving the diversity of our leaders and our Gender and Race at Work Ambitions are focused on measurable outcomes that will allow us to see the impact of our actions.

Gender Ambition

Increasing the number of women in senior positions is integral to our long-term goals for Barclays. We are making some encouraging progress but overall the rate of change is still slower than we would like. We must remain vigilant to ensure that there is no bias in our hiring decisions, and continue to provide targeted development opportunities for our female colleagues to develop their careers.

As a founding signatory of the HM Treasury Women in Finance Charter, a signatory of the Hampton Alexander Review and contributor to the Bloomberg Gender Equality Index, we proactively set gender targets. In 2018, we set a target of 28% women in senior leadership roles – our Director and Managing Director population – by the end of 2021. We met this target by the end of 2021, up from 26% in 2020. In the UK, 30% of our Directors and Managing Directors are now female.

We remain focused to continue to drive change, advocate the gender diversity agenda and build an inclusive culture in 2022. We have developed a new Gender Ambition for the organisation, to reach 33% women in senior leadership roles by the end of 2025.

Race at Work Ambitions

Barclays is firmly and fully committed to being a trusted ally in the pursuit of racial justice and to help overcome inequity across the communities in which we live and work. We were one of the first signatories of the UK's Race at Work Charter, and we have voluntarily disclosed our Ethnicity Pay Gap since 2019.

There are some ethnicities that are underrepresented relative to the potential talent pools available in our regional marketplaces. We identify underrepresented ethnicities by comparing the Barclays workforce in the UK and US with nationwide ethnicity representation statistics for those same countries. Based on this, we define underrepresented ethnicities in the UK as Black and Multiracial (Mixed Race). In the US, we define underrepresented ethnicities as African American/Black, Hispanic/Latino, Multiracial, Native American, Native Alaskan, and Hawaiian/Pacific Islander.

Barclays is determined to close these gaps through our Race at Work Ambitions, launched in July 2021:

1. In the UK, we aim to increase the number of underrepresented minority employees by 25% by the end of 2025.
2. In the US, we aim to increase the number of underrepresented minority employees by 20% by the end of 2025.
3. In the UK and in the US, we aim to at least double the number of Black employees at Managing Director level by the end of 2022.

What's next

During 2022, we will continue to enhance our hiring and development processes to ensure that we can attract and retain diverse talent throughout the organisation.



Listening to our colleagues

Our Inclusion Index, launched in 2020, continues to allow us to measure how included our colleagues feel and gives us a benchmark for monitoring progress year on year. Our overall Inclusion Index score for 2021 is 79%, up from 76% last year. 76% of colleagues (up from 73% last year) feel that everyone has equal opportunities to progress in their career regardless of background or working circumstances.

What colleagues told us in 2021

Overall Inclusion index score

79%

2020: 76%

Believe senior leaders are committed to building a diverse workforce

82%

2020: 82%

Feel included within their team

88%

2020: 89%

Feel everyone has equal opportunities to progress

76%

2020: 73%



3

Equal pay commitment

In 2018, we published our Equal Pay Commitment for the first time. In 2021, we continued to evaluate and enhance our processes and policies against this commitment.

Four years of reporting: our progress

- Published the Equal Pay commitment in 2018
- Continue to review and enhance our processes to ensure that they are aligned to the commitment

Our Equal Pay Commitment

We believe that colleagues should be appropriately and fairly rewarded for their contribution. There are differences in what the specific phrase "equal pay" means in legal terms across different jurisdictions but our commitment is the same everywhere – employees must be rewarded fairly, with regards to their specific role, seniority, responsibilities, skills and experience and other factors which properly affect pay, and pay decisions must not take into account any protected characteristic.

There will be times when it is appropriate to pay employees differently, even if they are doing the same or similar roles. This may be, for example, because of different levels of market pay, geographical differences,

skills and experience shortages, relative levels of experience and performance in the role, or other business needs.

Delivering on our commitment

- We are explicit with those who make pay and performance decisions, through clear guidance and training, that those decisions must reflect an individual's role and contribution
- We require that pay and performance decisions must not, directly or indirectly, take into account an individual's gender, age, ethnicity, religion, sexual orientation, marital status, pregnancy, maternity, parental leave, veteran status, disability or any other protected characteristic
- We have robust processes to review and challenge pay and performance decisions
- We work closely with Unite the Union, our recognised trade union in the UK, to evaluate the fairness of performance management and pay distribution for our union-recognised employees
- We also actively share with employees our commitment to increase transparency of our approach to fair pay

What's next

We will continue to enhance our assurance activities to ensure that performance ratings and pay outcomes remain fair and free from bias.



Listening to our colleagues

Employees are encouraged to engage with their manager if they have concerns about their pay. They can also speak to their HR teams. We will investigate any grievance raised by an employee, which includes any issues relating to pay.



4

Alignment of employee and Executive Director pay

As part of Barclays' Remuneration philosophy, we ensure that both Executive pay and employee pay are linked to sustainable business performance.

Four years of reporting: our progress

- Updated our Remuneration philosophy in 2019 to make explicit references to fairness
- From 2019, formalised the responsibility of the Remuneration Committee for reviewing the wider workforce pay policies and practices, testing each year their alignment with those for senior management and Executive Directors
- Reviewed our UK pensions offering to ensure appropriate alignment for all colleagues, including enhancing benefits for junior colleagues

We reward sustainable performance – this is a key element of our remuneration philosophy. Sustainable performance means making a positive and enduring difference to investors, customers and communities, taking pride in leaving things better than we found them and playing a valuable role in society.

To ensure that we reward this appropriately, we review performance through financial and non-financial lenses, and assess individual performance both on "what" is achieved and "how" it is achieved. This approach applies equally to executives and all other employees.

Appropriate alignment

The Remuneration Committee ("Committee") reviews our policies and practices annually to ensure that they continue to align with our Purpose, Values, Mindset and conduct expectations, as well as our Remuneration philosophy and Fair Pay agenda. The Committee also reviews how pay policies and outcomes are aligned between the wider workforce and the Executive Directors of Barclays PLC, which is summarised in the table below.

There is good alignment between wider workforce, senior management and Executive Director pay policies and outcomes. Where differences occur, these are driven by the need to remunerate employees in a way that is aligned to their seniority and ability to influence the business direction. For example, a larger proportion of pay for more senior employees is delivered as discretionary incentives. This is because they are responsible for setting and implementing the Group's strategy, or for leading parts of the business, and as such their individual contribution can have a larger impact on the bank's performance overall. For more junior colleagues, more pay is delivered as fixed pay and as a result total pay is less exposed to fluctuations in business performance.

2021 outcomes

Paying at least a living wage to all our colleagues is at the heart of our Fair Pay agenda and we have continued at least to meet the living wage benchmarks for each country, as set out on pages 4 and 5 of this report. The

Alignment of employee and Executive pay

Pay component	Wider workforce	Executive Directors
Fixed Pay	High proportion of remuneration delivered as fixed pay to support living costs (e.g. mortgage or rent payments) Fixed pay reviewed annually and aligned to market rates and experience in role	Fixed Pay offering reflecting role and responsibilities delivered half in shares that must be retained for up to five years to create shareholder alignment Annual increases typically aligned with the wider workforce
Pensions	Competitive pension offering set by location, typically 10% of salary in the UK, 12% for our most junior UK colleagues from 2020	Reduced in the 2020 Directors' remuneration policy to 5% of Fixed Pay (equivalent to 10% of fixed cash)
Benefits	Competitive benefits offering, representing a greater proportion of total pay to support longer-term personal financial planning and wellbeing	Market aligned benefits offering, but a lower proportion of total pay than the wider workforce
Incentives	Incentive awards to reward strong performance Robust performance differentiation through incentive awards. Payments typically paid "in-year", i.e. at the end of the performance year but may be deferred for a number of years for more senior employees with higher incentive payment levels	Assessed against pre-determined targets and measures to align with financial performance, strategic non-financial performance and personal performance Significant proportion of incentive awards deferred for up to seven years, at least 50% of awards delivered as shares to create further shareholder alignment
Share plans	All employees and Executive Directors have the opportunity to participate in "all-employee" share plans to acquire Barclays shares at beneficial rates (available in locations representing 99% of employees globally)	

Alignment of employee and Executive Director pay continued

Committee also reflected on the inflationary pressures that our colleagues are facing in many jurisdictions and we increased our 2022 salary increase spend in response. As described on page 6, we worked closely with Unite the Union to agree a 2022 UK pay deal for c.43,000 employees with a total salary increase budget of 4.25%. In the US, we made increases to bring lower-paid colleagues at least into alignment with the MIT living wage¹, and in India our salary increase budget was over 10% in order to keep pace with local market pressures. Consistent with our approach to pay, we targeted the salary increase spend so there are higher average increases for our junior colleagues.

In determining the incentive outcomes for 2021, the Committee took into account a number of important considerations, looking carefully at Barclays' financial and non-financial performance. Our commitment is to a remuneration approach that rewards sustainable performance, underpinned by our Fair Pay agenda. In 2021, the Group delivered record Profit Before Tax, with all three main lines of business – Barclays UK, Consumer, Cards and Payments and the Corporate and Investment Bank – performing well, demonstrating robust profitability and producing double-digit returns on equity. In addition, there was continued significant effort made across the bank to support our customers and clients throughout the COVID-19 pandemic, as well as to maintain operational resilience.


Taking all this into account, the Committee has approved a Group incentive pool of £1,945m. This represents an overall increase of 23%, and follows reductions in incentive funding for most business areas last year. We believe that this outcome is appropriate given the performance of the Group and it is consistent with our philosophy of rewarding sustainable performance, which in turn supports our long-term strategy of delivering continued strong returns to shareholders.

As set out on page 12, our approach to the Executive Directors' pay is aligned to our approach to wider workforce pay but there are some key differences. The incentive approach for our Executive Directors is significantly more structured than for most other employees, as required by institutional shareholders for

directors of UK-listed companies. This more structured approach, with a need for direct alignment to financial performance metrics, leads to greater year-on-year volatility in incentive outcomes, both up and down, for the Executive Directors compared to the norms for other colleagues. Whilst last year the impact of the pandemic resulted in large reductions in the incentive pay outcomes, this year, given the record profit before tax, the incentive pay outcomes for the Executive Directors were higher than in recent years.

The Committee reflected on the appropriateness of the incentive outcomes for the Executive Directors. They reviewed the underlying financial health of the Group, which is strong and well-capitalised. They considered the incentive outcomes in the context of the bonus outcomes for the wider workforce, ensuring that they are appropriately aligned both this year and over a multi-year period, and also compared to historical outcomes for the Executive Directors in the context of performance each year. They concluded that the outcomes are appropriate in the context of the performance achieved.

In February 2022, the Committee reviewed the Fixed Pay for each Executive Director as part of the year-end pay review process for colleagues across the Group. The Committee determined that Fixed Pay for each Executive Director would be increased by 3%, effective 1 March 2022. This is a lower percentage increase than the average fixed pay increase for the wider workforce, and in particular for other UK colleagues, such as the 4.25% salary increase spend as part of the 2022 UK pay deal.

 **Full details of our Executive Directors' pay are set out in the Remuneration report of our Annual Report at home.barclays/annualreport**

What's next

During 2022, we will continue to review and seek to improve our explanations to employees of the Fair Pay agenda, and of how pay for the Executive Directors, senior management and the wider workforce is aligned.

¹ Determined by Barclays using the Massachusetts Institute of Technology Living Wage Calculator, a well-established market-based approach for determining living wages in the US.



Our commitment is to a remuneration approach that rewards sustainable performance, underpinned by our Fair Pay agenda.



Listening to our colleagues

In 2021, we published additional fair pay communications material to our colleagues to explain how the pay and performance approach aligns to the Fair Pay agenda. The employee materials also include a description of the alignment between the wider workforce and Executive Directors' pay policies and practices. Colleagues can provide real-time feedback to help us identify if there is a need for additional information or explanation.

Growing. Together.

A strong partnership

This year, Barclays re-signed a multi-year partnership agreement with JetBlue Airways to provide co-branded credit cards to consumers and small businesses in the United States.

Our partnership launched in 2016, and over the last five years Barclays' US Consumer Bank has more than tripled the size of the JetBlue card portfolio, helping to drive significant sales and revenue for the airline while deepening loyalty and engagement with its customers.

Our relationship with JetBlue goes further. Throughout the pandemic, teams across Barclays helped support the airline, its consumers and the communities around the world it operates in. As travel demand declined sharply early in the crisis, teams from the Investment Bank and US Consumer Bank provided much-needed funding, including a \$250 million bridge loan and a significant pre-purchase of frequent flyer points, helping cover operating costs and increase liquidity.

The partnership with JetBlue is just one example of the way the Power of One Barclays is able to provide solutions for clients across our Group.



Our strong and collaborative partnership with Barclays reflects the team's outstanding expertise in the airlines sector. It ensures that JetBlue card members will benefit from robust rewards, benefits and experiences for years to come.

Hanan Sofiane

Senior Analyst, Cobrand and Loyalty Marketing, JetBlue Airways

Barclays PLC Annual Report 2021

A detailed review of Barclays' 2021 performance with disclosures that provide useful insight and go beyond reporting requirements.

Barclays PLC Climate-related Financial Disclosures 2021

A report aligning to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in this, the fifth year of disclosure.

Barclays PLC Pillar 3 Report 2021

A summary of our risk profile, its interaction with the Group's risk appetite, and risk management.

Barclays PLC Fair Pay Report 2021

An overview of our approach to pay, including the principles and policies of our Fair Pay agenda.

Barclays PLC Diversity & Inclusion Report 2021

An overview of the Group's approach to building a more inclusive company, including a progress report on each of our six pillars of diversity and inclusion.

Barclays PLC Country Snapshot 2021

An overview of our global tax contribution as well as our approach to tax, including our UK tax strategy, together with our country-by-country data.

Left: **Hanan Sofiane**
Senior Analyst, Cobrand and Loyalty Marketing, JetBlue Airways

Right: **Kristina Sullivan**
Assistant Vice President, US Partnerships, Barclays

