



# Making a **difference**

Barclays PLC  
Fair Pay Report 2020



# Making a difference

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

In the wake of an extraordinary year, we have refreshed our corporate Purpose and our Values to ensure they are relevant to today's world.

## 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.

## Our Values

### Respect

We harness the power of diversity and inclusion in our business, trust those we work with, and value everyone's contribution.

### Integrity

We operate with honesty, transparency and fairness in all we do.

### Service

We act with empathy and humility, putting the people and businesses we serve at the centre of what we do.

### Excellence

We champion innovation, and use our energy, expertise and resources to make a positive difference.

### Stewardship

We prize sustainability, and are passionate about leaving things better than we found them.



You can read more about our new Purpose at [home.barclays/purposeandvalues](https://home.barclays/purposeandvalues)

## Our Stakeholders

Having a strong Purpose and Values ensure we are able to deliver for all our stakeholders:

### For our customers and clients

We help those who use our products, services and expertise realise their aspirations

### For our colleagues

We support their health and wellbeing, enable them to build their career and empower and motivate them to be able to provide excellent service

### For society

Our success over the long term is tied inextricably to the progress of our communities and the preservation of our environment

### For our investors

We continue to build a strong, diversified business that can deliver attractive and sustainable returns

## Introduction

We are proud to present our third Fair Pay Report, bringing together the different ways we think about pay at Barclays.

# Fair pay in action

We remain committed to fairness and transparency in the way we pay all our people – from fairness for the lowest paid to the way we align employee and executive remuneration.

This year, our colleagues have shown extraordinary adaptability and resilience throughout the COVID-19 pandemic. Thanks to their incredible efforts, we have kept Barclays delivering for its stakeholders and supporting the economy and society at a time when it was needed most.

In turn, we are proud of the way that we have been able to support our colleagues. Whether that has been by offering full pay to those unable to work as a result of the pandemic, or by enhancing our benefits and other resources to support colleagues' own unique challenges, we have found ways to put our Fair Pay agenda into action and make a real difference for our people.

We have also made good progress outside of our work relating to the pandemic. This year, we introduced a new Directors' remuneration policy to better align the way we pay our most senior people with the way we pay our wider workforce. We also increased the pension contributions we make on behalf of junior colleagues and worked with external groups to review and update our commitment to paying a living wage globally. As ever, we have also thought extremely carefully about our approach to both fixed and variable pay, taking into account a number of important considerations to ensure we are rewarding sustainable performance in a manner that aligns with our stakeholders' expectations.

This report sets out further detail on the steps we have taken to improve our approach to fair pay and the progress we have seen.



**Tristram Roberts**  
Group Human Resources  
Director



**Crawford Gillies**  
Chair, Board Remuneration  
Committee

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*We remain committed to fairness and transparency in the way we pay all our people – from fairness for the lowest paid to the way we align employee and executive remuneration.*

# At a glance



Our Purpose and Values, set out on page 2, directly influence the way we think about culture at Barclays.

Together, they ensure a strong ethical and inclusive environment for us all, and define the way we interact with our stakeholders and each other.

## Fair pay for the lowest paid



- Continued to progress our work on global living wages, reviewing more locations than in 2019
- Worked with Unite to agree a new pay deal, ensuring that it was consistent with our Fair Pay agenda
- Enhanced medical provision for all colleagues in the UK and India, providing access to a range of online services and appointments

## Equal opportunities to progress



- Implemented a detailed action plan on Race at Work that will open up opportunities to attract, develop and add to our great Black talent
- Further developed our diversity dashboards for senior leaders which now reflect both gender and ethnic diversity
- Our female senior leadership (Managing Directors and Directors) continued to increase and is now 26%, up from 25% at the end of 2019

## Listening to employees



- We launched our Inclusion Index for the first time, to measure our objective to be a truly inclusive organisation
- We engaged with Unite throughout the pandemic, focusing on the physical and mental wellbeing of our colleagues

## Equal pay



- We are explicit that pay decisions must not take into account gender, age, ethnicity, disability, sexual orientation or any other protected characteristic
- All grievances raised by employees, including any issues relating to pay, are investigated

## Alignment of employee and executive remuneration



- Our pay policies are strongly aligned across the wider workforce, senior employees and Executive Directors
- The Directors' remuneration policy has been refreshed, aligning Executive Director pension contributions with the wider workforce

## Fair pay and COVID-19

Our approach to fair pay helped guide our remuneration decision-making in 2020. In turn, this enhanced the support we were able to provide to our customers and clients, colleagues and to society throughout the COVID-19 pandemic.

# Considering our stakeholders

## Customers and clients

- Our focus was on ensuring that we were available for our customers and clients despite the challenges of COVID-related absences and the temporary loss of some geographical locations due to local lockdowns. We supported this effort by providing colleagues with additional overtime rates where needed
- A number of actions were taken for customers and clients who needed additional financial support, as well as facilitating the delivery of c.£27bn of lending to British businesses under the UK Government's schemes. Our colleagues took on significant extra work during the pandemic to make this happen

## Colleagues

- Enhanced flexibility was introduced for all colleagues with other commitments e.g. the need to care for dependants, including children, and where it was not possible for them to complete their full hours, we continued to pay them their full salary and benefits
- Separate reporting was implemented for COVID-related sickness absence, extending our existing sick pay provisions
- We did not put any staff on furlough, and placed a moratorium on redundancies in the early months of the pandemic

## Society

- We have matched donations through our COVID-19 Community Aid Package from our colleagues and our Directors, supporting the communities most impacted by the pandemic
- Our Executive Directors and Chairman contributed one third of their Fixed Pay for six months to charities delivering COVID-19 relief
- In the UK, we supported colleagues who volunteered to support health or social care, with up to four weeks of paid leave

Our approach to fair pay enhanced our support for customers and clients, colleagues and society during COVID-19

We believe that all our employees should be paid fairly for the work that they do. For our lowest paid employees in particular, this means that pay should be sufficient, simple and transparent.



# Fair pay for the lowest paid

Fair pay doesn't just mean paying the right salary – it means awarding the right incentives, providing the right benefits and giving the right support in the workplace as well.

During 2020, we continued to review and enhance our approach for our lowest paid colleagues, progressing this key theme of our Fair Pay agenda in addition to responding to the pandemic.

## Living wages

Paying living wages to our colleagues is at the core of our Fair Pay agenda. During 2020, we continued to work with the Fair Wage Network to review living wage benchmarks globally, using the data as part of the annual pay review. Almost all our locations are now covered by these benchmarks, including in the US, where wages will be further increased to a minimum of \$17 per hour this year\*. We continue to meet the benchmarks set by the Living Wage Foundation for our UK colleagues.

As the pandemic grew, we responded quickly to ensure that our colleagues continued to be paid in circumstances when they were unable to work, or unable to work their full hours.

This meant that those who had to stay at home and care for dependants were able to do so, and that those who needed to self-isolate or shield could do so without fearing for their livelihood.

Early in the pandemic, we instituted a temporary moratorium on programmes around the world that would result in job losses. In addition, we provided enhanced financial support for those in the UK whose employment terminated between 1 March and 30 June 2020 as a result of redundancy announced prior to the pandemic, and who had been unable to secure further employment during this period.

\*apprentices \$15 per hour

## Rewarding exceptional effort

Over the course of this year, some of the hardest challenges have been faced by some of our most junior employees. A great many continued to go to work in our branches and serve our customers at the height of the COVID-19 pandemic. Others have worked hard this year to expand their skillset so they could support areas of high activity, such as dealing with customer calls.

We wanted those colleagues to be the ones who were considered first in our incentive funding model. As a result, greater reductions came from more senior staff.





## Fair pay for the lowest paid continued

### Enhancing our benefits

Our planned implementation of AXA Doctor at Hand went ahead in April 2020, and all UK colleagues irrespective of grade now have access to this remote GP service. More than 16,000 colleagues in the UK have registered, and more than 15,000 appointments have been held.

Colleagues in Singapore and Hong Kong can access similar appointments, and in India during 2020 we introduced specialist on-call services so that colleagues can access a range of medical support remotely. All colleagues enrolled in our US medical plan already had similar access.

### Thinking of the future

Our planned increase to the minimum employer pension contribution for our most junior employees in the UK was implemented in April 2020. This increased our contribution from 10% to 12% of salary, without any requirement for employee contributions. We also provided employees with support and guidance to help them understand how much they're saving today, how much they might need when they retire, and how they can make changes to their savings habits. Further support is planned during 2021.

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*During the pandemic, Unite and Barclays have focused strongly on colleague wellbeing while continuing to advance the fair pay agenda.*

**Dominic Hook**, Unite national officer

## Listening to our colleagues



In the UK, we engaged with Unite to deliver a 2021 pay deal for c.45,000 employees.

While the budget was constrained by the impact of the pandemic on the macroeconomic environment, the overall outcome was above inflation, with increases focused on those paid below the median for their grade.

We continue to appreciate our productive partnership with Unite. Our engagement this year has included focusing on the mental and physical wellbeing of our colleagues, particularly given the impacts of the pandemic.

We kept in touch with our colleagues via our regular Here to Listen surveys, making sure that we understood the challenges they faced.

## Protecting wellbeing

We responded to the pandemic by increasing our efforts to support colleague wellbeing, including the development of specific support resources. Colleague wellbeing was a priority in leadership communications and our Mental Health Awareness e-learning module became required learning. We also held a flagship event to mark World Mental Health Day, focused on building our supportive culture across the firm.

Our employee opinion survey demonstrated significant progress in how colleagues perceive Barclays' efforts to enhance their wellbeing, with positive responses up nine percentage points at 83% (2019: 74%). We have continued to promote our core wellbeing offerings, including the global Be Well portal and Employee Assistance Programmes.



We are an Equal Opportunities Employer, committed to providing equal employment opportunities to all applicants and employees so they can enjoy a successful career at Barclays and progress through the organisation.



# Equal opportunities to progress

Employees can earn more as they become more senior, so ensuring that all of our people have equal opportunities to progress is an important part of fair pay. This is why all of our Diversity and Inclusion agendas and the way that they impact our policies and processes are so important.

At Barclays, we focus on five areas of inclusion – disability, gender, LGBT+, multicultural, and multigenerational. Each area is embedded in the business through Colleague Diversity Networks to provide support and advice, create development opportunities and raise awareness of issues and challenges. With over 23,000 colleagues globally now involved in one or more of our diversity networks, membership is at an all-time high.

## Race at Work

Events last year rightly prompted organisations like ours to appraise what we have been doing to aid the fight against racism, and to ask ourselves whether we can do more. Over recent months, Barclays has worked extensively with its Black colleague forums in both the UK and the US to produce a Race at Work Action Plan. From 2021, we will extend this plan to all ethnically diverse colleagues.

## Understanding our workforce

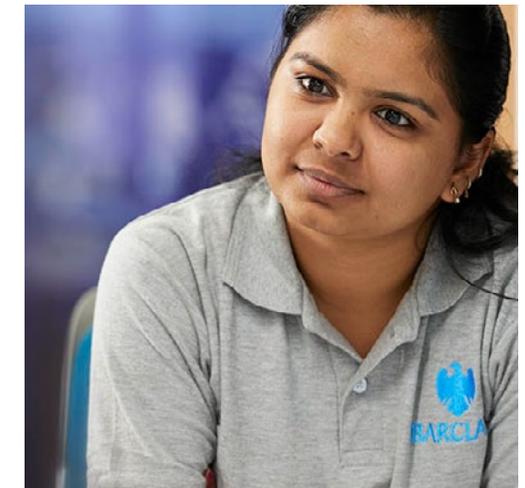
In our 2019 report, we set out how we continued to invest in our data and analytics capabilities to provide leaders with real-time demographic information about their teams, including how they change over time – and particularly in respect of gender.

Our gender diversity dashboard provides transparency to senior leaders through three critical levers – Hiring, Promotion and Retention – and is used in monthly reviews by senior management.

This year, we have continued with this work and in Q4 2020 we launched our ethnicity dashboard to provide senior leaders with data on hiring, promotions and retention for ethnically diverse colleagues in their teams.

Data helps us to design interventions, and we continue to shape these to suit the different challenges we face across different businesses and geographies.

We are seeing that we are making progress for gender, though this remains slow. Female representation at senior levels has increased to 26%, up again from 25% in 2019 (and 24% in 2018). This year we will put in place goals and measures relating to ethnicity, and will track our progress alongside the progress for gender.



## Listening to our colleagues

This year, we launched an Inclusion Index, gathering information about how included our colleagues feel at Barclays so that we can measure our progress and develop our plans accordingly.

For the first time, we are also publishing a Diversity and Inclusion Report, bringing together the different ways we are making Barclays more diverse and more inclusive.



You can read our Diversity and Inclusion Report 2020 [here](#)



### Providing support

We know that supporting employees to balance their life at work and at home helps make progression through our organisation more equal. Over the last 12 months, we have learnt an enormous amount about the benefits and challenges of working more flexibly. Overall, we are encouraged by our ability to work remotely in many more roles than we had previously thought possible. Our colleagues told us that they enjoyed having more flexibility in their lives, with 78% saying they have been able to balance personal and work demands.

We are also mindful of the challenges that some of our colleagues are facing as a result of the pandemic, and have ensured that those with responsibility for caring for dependants have been given greater flexibility, as well as continuing to pay full salary and benefits where the circumstances have meant that they have had to work fewer hours.

We adjusted objectives to reflect the individual circumstances of our colleagues, and reviewed performance based on time worked only, and not any periods of absence.

### Pay gaps

We continue to publish our UK pay gaps. Full details are set out in our summary, UK Pay Gaps 2020.



You can read about our UK Pay Gaps 2020 [here](#)

## Equal opportunities to progress continued

### Disability Confident

As part of the UK Government Disability Confident scheme, we encourage applications from people with a disability, or a physical or mental health condition. In response to feedback at the end of 2019, we undertook a full review of workplace adjustment processes in order to improve our colleagues' experience.



In 2018 we published our Equal Pay Commitment for the first time. We continue to evaluate our processes and policies against this commitment.



## Equal pay

### 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 decisions, through clear guidance and training, that those decisions must reflect an individual's role and contribution.
- We require that pay 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 decisions.
- We work closely with Unite, 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 our commitment with employees, to increase transparency of our approach to fair pay.



### Listening to our colleagues



We encourage employees to engage with their manager if they have concerns about their pay.

They can also speak to our Human Resources teams if they need more information, or don't feel comfortable speaking to their manager in the first instance.

We will investigate any grievance raised by an employee, which includes any issues relating to pay.

We ensure that both executive pay and employee pay are linked to sustainable business performance.



## Listening to our colleagues

This section of the Fair Pay Report is included to help to explain executive pay to our colleagues, and how our remuneration philosophy and underlying policies are aligned across all colleagues at Barclays.

# Alignment of employee and executive pay

We reward sustainable performance – this is a key element of our remuneration philosophy. Sustainable performance means making a positive contribution to our stakeholders, in both the short and longer term.

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 reviews our remuneration policies and practices annually, to ensure that they continue to align with our Purpose, Values, conduct expectations and long-term success, as well as with our remuneration philosophy and Fair Pay agenda.

The Committee also considers how pay policies and outcomes align between the wider workforce, senior management and Executive Directors, which is summarised on the table on the next page. While there is close alignment, there are some notable differences, driven in the main by the most appropriate way to reward colleagues at different stages of their careers. For example, in line with our commitment to fair pay for the lowest paid, we try to ensure that pay for employees at the most junior levels is less exposed to fluctuations resulting from changes in business performance.

As employees progress through the organisation and become more senior, a greater proportion of their remuneration is linked to individual and business performance, and is therefore variable each year. A significant proportion of remuneration for senior employees is delivered in deferred shares, ensuring longer-term alignment with company performance.

Pay at the most senior levels is most heavily weighted towards performance-related incentives (with a lower proportion fixed). Executive Directors also have a proportion of their compensation delivered in the form of Long Term Incentive Plans, which have an even longer-term link to the share price, with the addition of multiple performance measures (financial and non-financial) which must be satisfied before the plans release any shares.

### Outcomes in 2020

The Committee deliberated extensively in determining overall pay outcomes for 2020, balancing the desire to recognise and reward colleagues for some outstanding work in 2020, with the experiences of all of our stakeholders.

It has been junior colleagues in many businesses who have been on the front line directly supporting customers and clients during the pandemic and the Committee felt it appropriate to acknowledge and reward those efforts. Therefore, consistent with our Fair Pay agenda, we have chosen to ensure that our more junior colleagues are fairly

rewarded, and as a result, greater reductions in incentives have been applied to more senior colleagues in businesses where financial performance has been impacted by the pandemic.

As reflected in the CEO pay ratio (down to 90:1 from 140:1 in 2019), pay outcomes for the Executive Directors are significantly reduced for 2020. While this is not reflective of their 2020 performance against their strategic and personal objectives, the Committee prioritised the balance of different stakeholder needs when finalising their pay outcomes for 2020.

## Responding to the pandemic

Our Executive Directors responded quickly at the onset of the pandemic. They asked that the Fixed Pay increases proposed as part of the new Directors' remuneration policy be postponed until 2021 and have since further requested that these are postponed until at least H2 2021.

In addition, they have contributed one-third of their Fixed Pay to our COVID-19 relief fund for six months – supporting those in society most impacted by the pandemic.



## Alignment of employee and executive pay continued

Pay component	Wider workforce	Executive Directors
<b>Performance Management</b>	Performance evaluated against 'what' has been achieved, and whether it was delivered in a way which aligns with our Purpose and Values – 'how'	As well as being assessed against the 'what' and the 'how', we publish personal objectives for the Executive Directors annually so that all of our stakeholders can see how they align to our Purpose, Values and strategy
<b>Fixed Pay</b>	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 Annual increases typically aligned with the wider workforce
<b>Benefits</b>	Competitive benefits offering, representing a greater proportion of total pay to support longer-term planning and wellbeing	Market aligned benefits offering, but a lower proportion of total pay
<b>Pension</b>	Competitive pension offering set by location, a minimum of 10% of salary in the UK, 12% for our most junior colleagues	Reduced in the 2020 Directors' remuneration policy to 5% of Fixed Pay (equivalent to 10% of fixed cash)
<b>Incentives</b>	Incentive awards to reward top 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 at high 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.
<b>Share plans</b>	All employees have the opportunity to participate in 'all-employee' share plans to acquire shares at beneficial rates* *Available in locations representing 99% of employees globally	



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Our Purpose and Values ensure we are able to deliver for all our stakeholders: for our customers and clients, for our colleagues, for society and for our investors.

For further information and a fuller understanding of the results and the state of affairs of the Group, please refer to the Barclays PLC suite of annual reports available at [home.barclays/annualreport](https://home.barclays/annualreport)



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#### **Barclays PLC Annual Report 2020**

A detailed review of Barclays 2020 performance with disclosures that provide useful insight and go beyond reporting requirements.

#### **Barclays PLC Environmental Social Governance Report 2020**

An overview of our ESG strategic priorities and performance, reported against a range of quantitative and qualitative indicators.

#### **Barclays PLC Climate-related Financial Disclosures 2020**

An enhanced report aligning to the Task Force on Climate-related Financial Disclosures (TCFD) recommendation in this, the fourth year of disclosure.

#### **Barclays PLC Fair Pay Report 2020**

An overview of our approach to pay fairness and how we implement this in our principles and policies through the themes of our Fair Pay agenda.

#### **Barclays PLC Diversity and Inclusion Report 2020**

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

#### **Barclays PLC Country Snapshot 2020**

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.

#### **Barclays PLC Pillar 3 Report 2020**

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