



Fair Pay Report 2019

Paying our people fairly

Barclays is committed to making pay not only fair, but simple and transparent – balancing the expectations of all our stakeholders.

We are listening, both inside Barclays and externally, to help us ensure that our approach to pay is fair today, and will remain so as we adapt for the future. We have continued to make good progress, and we are particularly grateful to our employees for their input and feedback.

We have made further enhancements in a number of areas this year, particularly in pay for our lowest paid employees.

Although we reduced the overall bonus pool for 2019, to maintain our cost discipline and improve returns for shareholders, we have protected outcomes for our more junior employees. We have also expanded our living wage commitment outside of the UK.

We are proud of our approach, and how we are evolving, but recognise there will always be more to do.

Crawford Gillies

Chair, Board Remuneration Committee

Tristram Roberts

Group HR Director



2019 Highlights

Fair pay for the lowest paid



We worked with the Fair Wage Network to begin implementing living wage benchmarks globally.



In 2020, the employer pension contribution will increase to 12% for c.17,500 UK employees.

c.21k

We simplified our pay structures for c.21,000 employees in the UK, reclassifying allowances as salary and increasing pensionable pay.



We made plans to provide 24/7 access to a GP via a video or telephone appointment for all UK employees, starting later in 2020.

Equal opportunities to progress



We have invested in data and analytics capabilities to allow leaders to track female representation in their business, in particular the rates of hiring, promotion and retention.



A dedicated Pay Gaps report covers our UK Gender Pay Gap and voluntary UK Ethnicity Pay Gap disclosure.



Parental leave and carers policies externally disclosed for the first time.



Our senior leadership is now 25% female, up 1% from 2018, moving us closer to our target of 28% by the end of 2021.

Listening to employees

- We agreed a new pay deal with Unite, with a one-year budget increase of 2.75%, well in excess of inflation.
- We implemented a new Reward strategy in Barclays UK, which was designed with employee feedback in mind.
- We will check that our approach to Fair Pay is clear and understandable to employees, through our regular sentiment tracking and well-established engagement plans.

“Unite is committed to fair pay and works in partnership with Barclays to negotiate and improve pay, shape policies and push for greater equality.”



Dominic Hook,
Unite National Officer

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, taking account of wider workforce policies.

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.

Fair Pay for the lowest paid

We believe that all of our employees should be paid fairly for the work that they do. For our lowest paid employees, in particular, this not only means ensuring pay is sufficient but also that it is structured in a way that helps them to manage today and save for the future.



Our UK pension plan is one of the best in the industry for the lowest paid employees.

A living wage

We expanded our commitment to living wages in 2019. In addition to our existing commitment to the Real Living Wage in the UK, we implemented a minimum hourly rate of \$15 in the US. We have also started to work with the Fair Wage Network to expand our approach to living wages to all of our locations, starting with India where we have c.18,500 colleagues.

Over 90% of our employees globally are now covered by a 'living wage' minimum. We calculate that rate based on hourly fixed pay only, so that our lowest paid employees earn a living wage throughout the year, with any bonus genuinely in addition.

A fair opportunity to earn a bonus

For our most junior employees, the majority of overall pay is now fixed, giving more certainty each month and de-risking delivery of pay. They also have the opportunity to earn an annual performance-related bonus, which is a smaller proportion of overall pay.

Although our overall bonus pool for 2019 was down around 10%, we intentionally protected bonus outcomes for our junior employees.

Saving for the future

Our planned increase to the minimum employer pension contribution for our most junior employees in the UK, announced last year, will be implemented in 2020 (c.17,500 UK employees will benefit). This will increase our contribution from 10% to 12%.

Our UK pension plan is one of the best in the industry for the lowest paid employees – we will contribute 12% without any requirement for employee contributions.

As we roll out the increase, we'll also be providing employees with support 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.

We have also increased pensionable pay for c.21,000 UK-based employees by rolling permanent, fixed allowances into fixed pay. We have further de-risked pay for c.19,500 employees in Barclays UK, transferring up to 60% of bonus opportunity into fixed pay. This has the additional benefit of increasing pensionable pay.



Listening to employees

In the UK, we engaged with Unite to deliver a 2020 pay deal for c.45,000 employees. We have agreed a budget of 2.75% for annual pay increases, with a minimum increase of 4.5% for those at the entry-levels. The pay deal was approved in a ballot of Unite members in January 2020.

We engaged extensively with employees prior to amending the Barclays UK reward strategy. They told us that the most important features of fair pay to them are transparency, understanding and awareness, consistency and fairness, and simplification.

Improving medical care

We support employees globally with medical insurance and life assurance, tailored to local needs.

We believe that core benefits should be available to everyone at Barclays, regardless of grade. During 2020, we will make free private GP services available to all employees in the UK, expanding the provision already in place for more senior employees. To achieve this, we will provide access for all UK colleagues to a GP 24/7 via video or telephone appointment. Additionally, we will implement on-site GP services in strategic locations over the next few years, accessible to all on-site employees.

In Singapore, GP video consultations were made available to all employees during 2019.

As is customary in the US, employees contribute to the cost of their medical benefits through payroll contributions. The allocation of these costs across the member population spans five salary tiers, such that the lowest-paid employees pay less to participate than higher-paid employees.

Wellbeing

Through our Be Well programme, we provide health risk assessments, expert advice and guidance on the practical steps employees can take to look after their physical and mental health. In 2020, our Mental Health Awareness training will become mandatory for all colleagues and we were one of the first businesses to sign up to the UK Mental Health at Work Commitment. In the UK we have focused on development of a 'financial first aid' proposition to support colleagues in financial difficulty, and launched training on financial wellbeing to all colleagues.

What's next?

There is still a lot we want to achieve. During 2020, we will continue to engage with the Fair Wage Network and will use their living wage benchmarks to assess our wages globally.

We will continue to focus on pay simplification, and test for ways to improve transparency, expanding further the work carried out for Barclays UK in 2020.

Equal opportunities to progress

We are an Equal Opportunities Employer. We are 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.

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

Evolving our approach to gender

We have continued to invest in our data and analytics capabilities and can now provide leaders with demographic information about their teams, including how they change over time – with a particular focus on gender.

This enables leaders to see clearly where rates of hiring, promotion and retention of females could be improved.

The data is also helping us to understand how we should apply evidence-based best practice to the specific features of our organisation. What works elsewhere may not necessarily work at Barclays, and so we are shaping our interventions to help increase our proportion of female senior leaders in a way that works for our organisation.

Our senior leadership is now 25% female, up from 24% last year, and moving closer to our target of 28% by the end of 2021.



We are focusing on five actions to improve gender diversity:

1. We have set targets for each business area, reflecting the market environment
2. We have incorporated gender reporting into regular business reviews, and have appointed diversity champions
3. We are actively identifying females in the external market
4. We are monitoring our promotion process to ensure the widest available pool of candidates is considered
5. We are building our pipeline internally, including targeting 50:50 hiring in graduate recruitment.

We know that these interventions will not all be successful in every business area, but equally we will continue to review progress and build on what works. Business areas are also putting in place additional actions to address very localised challenges.

Although progress remains slow, we can see progress in creating a more equal organisation. Our senior leadership is now 25% female, up from 24% last year, and moving closer to our target of 28% by the end of 2021.

We do not discriminate based on race, religion or belief, gender, sexual orientation, disability, age, pregnancy or maternity, marriage or civil partnership, gender identity, veteran status or any other characteristic protected by relevant law.

Focus on ethnicity

We are also focused on ensuring that our Black, Asian and Minority Ethnic (BAME) employees have equal opportunities to progress.

At the end of 2018, Barclays was one of the first signatories of the Race at Work charter, which we have used as the basis of our strategy:

- We have appointed an Executive Committee Member, our Chief Risk Officer C.S. Venkatakrisnan, as executive sponsor for our Multicultural agenda
- We continue to voluntarily disclose our UK-wide Ethnicity Pay Gap
- The Barclays Way, our code of conduct, is clear that we will not tolerate discrimination, bullying or harassment
- We make it clear that all of our leaders have a shared responsibility to build a diverse and inclusive culture
- We are developing plans to use data and analytics to help design and implement actions that will support the progress of BAME employees through the organisation, expanding the work which has been carried out for gender during 2019.

Disability Confident Leader

We are a 'Leader' in the UK Government's 'Disability Confident' scheme and are committed to making the most of the talents disabled people can bring to our organisation. Nine percent of our employees say that they consider themselves to have a disability, or physical or mental health condition.



Providing support

We know that supporting employees to balance their life at work and at home helps make progression through the organisation more equal.

Dynamic working continues to be popular, and over 88% of survey respondents say they are able to work dynamically at Barclays. A key feature of our approach is that dynamic working is embedded in our culture, and line managers are empowered to make it work. We believe this has helped more employees to work in a more dynamic way.

Pay Gaps reporting

We continue to support Gender Pay Gap reporting, because it provides a consistent way for organisations to measure themselves and track progress. As we wait for the regulations on Ethnicity Pay Gap reporting to be finalised, we will continue to publish our Ethnicity Pay Gap on a voluntary basis.

Our Pay Gaps are showing small improvements overall, as there is a gradual improvement in the seniority of females within the organisation. We continue to work hard to increase the rate of change. You can read more about our Gender and Ethnicity Pay Gaps, and the actions we are taking to close them, in our dedicated Pay Gaps Report, available on barclays.com.

In many locations we also provide enhanced maternity, paternity and adoption leave, and we have published our offering to be transparent to prospective employees.

UK parental leave policies

- Full salary paid for the first six months of maternity or adoption leave
- Two weeks' full pay for paternity leave
- Full pay for up to six weeks of shared parental leave

What's next?

During 2020, we will continue to develop our strategy on ethnicity by building on the data and evidence-led approach we have taken to improving gender diversity.

We support the UK Government's Gender Equality Roadmap, which highlights societal and work issues, including the disproportionate amount of unpaid work that is carried out by females. And we look forward to the outcome of consultation on aspects of the UK Government's Good Work Plan, which is considering, amongst other things, enhancements to paid paternity leave.

Listening to employees

We review the results of our employee opinion survey to understand the views and concerns of all of our employees. This helps to understand any particular aspects where we need to improve.

We also continue to engage with our employees through our five diversity agendas (disability, gender, LGBT+, multicultural and multigenerational), and we hold regular focus groups to understand the views of our employees in more detail.

Equal pay

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

Our Equal Pay Commitment

There are differences in what the specific phrase 'equal pay' means in legal terms across different jurisdictions, but our commitment is the same everywhere:

“Pay decisions must not take into account gender, age, ethnicity, religion, sexual orientation, disability or any other protected characteristic.”

We take specific steps to ensure that employees are paid equally for doing the same job, which means ensuring they are rewarded fairly with regard to their specific role and responsibilities and other factors that properly affect pay.

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.

Pay decisions must not take into account gender, age, ethnicity, religion, sexual orientation, disability or any other protected characteristic.

How do we support 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 actively share our commitment with employees, to increase transparency of our approach to fair pay.

Listening to employees

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.



Alignment of employee and executive pay

We ensure that employee pay and executive pay are aligned with business performance.

Our remuneration philosophy applies equally to all of our employees when setting policies and determining pay outcomes – from our Executive Directors and senior management to our wider workforce.

This year we updated the philosophy to highlight the importance of Fair Pay, and our approach to considering the perspectives of all stakeholders in how we think about pay.

Our updated remuneration philosophy

- Attract and retain the talent needed to deliver Barclays' strategy
- Align pay with investor and other stakeholder interests
- Reward sustainable performance
- Support Barclays' Values and culture
- Align with risk appetite, risk exposure and conduct expectations
- Be fair, transparent and as simple as possible.

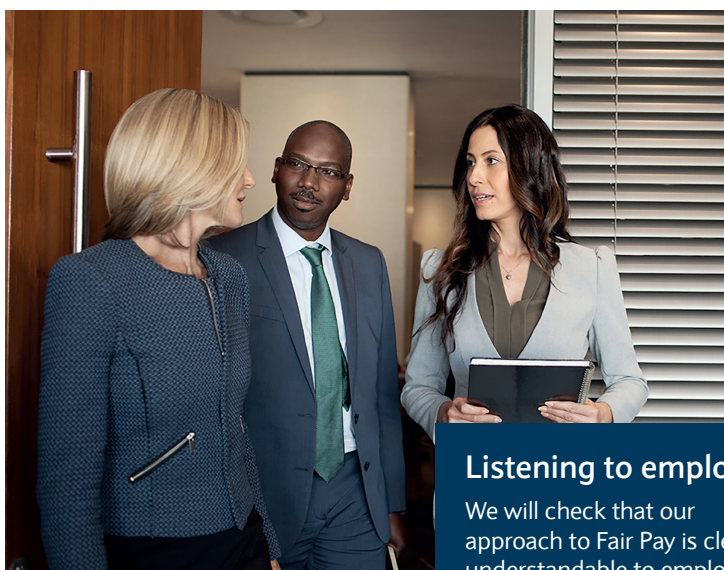
Alignment of policies

During 2019, the Remuneration Committee reviewed the key policies for the wider workforce to test their alignment with those for senior management and Executive Directors.

The reviews showed that our policies are strongly aligned across the different groups. Where differences occur, they are based on policies that reflect senior management's ability to influence overall business outcomes, and align senior colleagues more closely with shareholders, such as the delivery of some fixed pay in shares, delivery of a high proportion of incentives in shares and the use of Long Term Incentive Plans (LTIPs) for the Executive Directors.

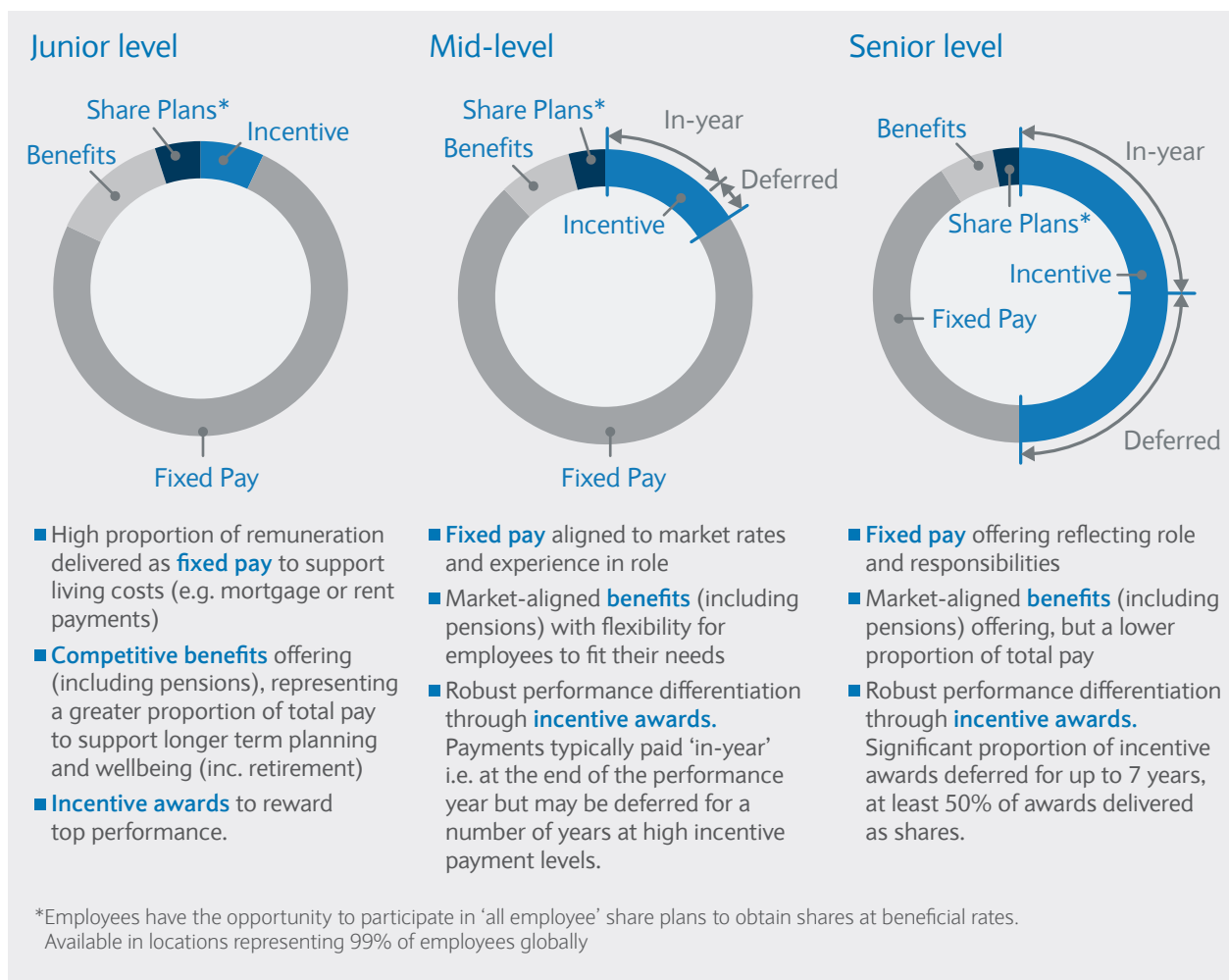
More junior employees have a different mix of pay, with a much higher proportion being delivered as fixed pay.

As part of the review of the Directors' remuneration policy, we reviewed pensions both top-down and bottom-up, making positive changes for our most junior UK employees. The Executive Directors have voluntarily agreed to reduce their own pension allowance.



Listening to employees

We will check that our approach to Fair Pay is clear and understandable to employees, through our regular sentiment tracking and well-established plans.



Alignment of outcomes

Our Remuneration Committee reviews pay outcomes for the wider workforce to ensure that they are appropriately aligned to the outcomes for senior management and Executive Directors.

In 2019, the Remuneration Committee made a determination to reduce the bonus pool. Despite this, incentives for our most junior employees were protected in line with the previous year, with more senior employees, including the senior management, having reduced incentives.

The Executive Directors are paid under a separate framework, as shareholders require that their incentives are based on performance measures which are set at the beginning of the year.

This may result in years where the formulaic outcomes for the Executive Directors are different than the overall pool e.g. in 2018, Executive Director outcomes went down slightly whereas the overall incentive pool went up.

This year, the framework gave a high outcome for the first time in a number of years. Given the overall pool reduction, the Committee decided to reduce the payout on a discretionary basis, in line with the reduction of the overall incentive pool for the wider workforce.

Measurements of alignment

We have voluntarily published our CEO pay ratio for the last two years, ahead of reporting becoming mandatory this year.

Our remuneration philosophy applies equally to all of our employees when setting policies and determining pay outcomes.

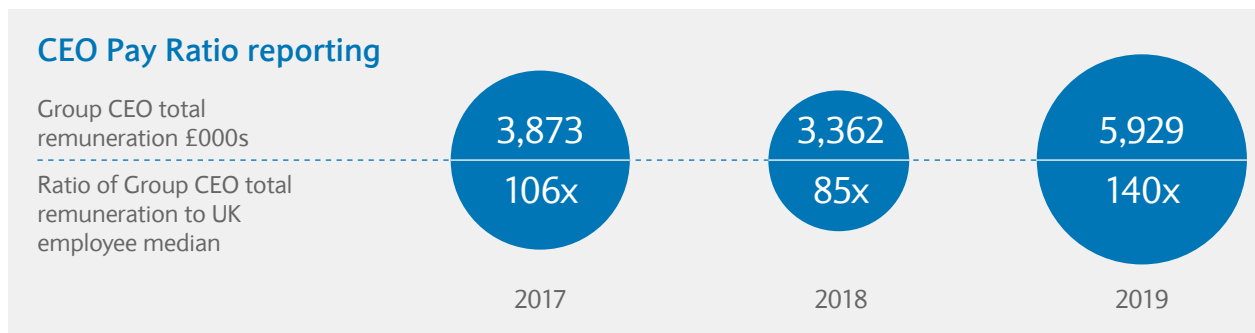
CEO Pay ratio

Pay ratios can be volatile, because a Chief Executive’s pay may be affected by many factors. For example, many Executive Directors are eligible to receive Long Term Incentive Plan (LTIP) awards, which have a longer performance period to align their interests with shareholders. This means that for the first few years of their service, the reportable pay they receive is lower, until the first LTIP is paid out. In addition, their bonuses are assessed on pre-determined measures, to provide shareholders with transparency on Executive Director pay outcomes.

This means that pay outcomes can be more variable than for the wider workforce, especially compared with more junior colleagues where pay is more protected year-on-year.

The CEO pay ratios have increased for 2019, largely because Jes Staley received his first LTIP payout for 2019 after four years of service, and because an adjustment as a result of a one-off event reduced his pay outcome for 2018. In addition, his bonus for 2019 has increased as a result of improved performance in pre-determined financial measures in the bonus framework.

Employee pay has also increased for the period, with the median employee pay going from £36,568 in 2017, to £42,362 in 2019, up almost 16%. This is aligned with the CEO increase for the same period, adjusted for LTIP and malus (up 15%).



Directors’ Remuneration Policy (‘DRP’)

The DRP sets the parameters for how we pay our Executive Directors. Shareholders vote on the policy every three years. At the 2020 AGM, shareholders will vote on proposals for the new policy that will apply for a maximum of three years.

In making proposals for the new DRP, alignment with the wider workforce is a key consideration.

Fixed Pay

Fixed pay will no longer be fixed for the period of the DRP. It will instead be reviewed annually. This will align the timing of the review of fixed pay for the executive Directors with the annual approach for the wider workforce, further improving transparency.

Pension

Cash allowance is given in lieu of pension. The Executive Directors voluntarily agreed to change their pension allowance to 5% of Fixed Pay (equivalent to 10% of fixed cash).

We have also reviewed the offering for our UK workforce, and during H1 2020 will increase the employer contribution rate from 10% to 12% for c.17,500 junior employees.

Shareholding requirements

Post employment shareholding requirements have been increased and Executive Directors are to maintain 100% of their employment shareholding requirement. This creates a stronger alignment with shareholders, further strengthening performance and pay.