At Standard Chartered, our goal is to create a culture of sustainable high performance where everyone can be at their best and feels their contributions are fairly rewarded.

As we navigated the continued uncertainty from the pandemic and launched our refreshed strategic priorities in 2021, we continued to encourage People Leaders to take actions and make decisions in line with the principles set out in the Fair Pay Charter.

We seek regular feedback from colleagues to understand how they feel about reward and to identify areas for further focus. We also conducted our annual survey on the performance and pay review process in March 2021. 55% of respondents believed that the variable pay decisions for performance year 2020 were fair, which increased from 51% for performance year 2019.

While reward satisfaction scores tend to be low in engagement surveys, we acknowledge that we have more to do to achieve full alignment to the Fair Pay Charter and improve satisfaction with reward.

For that reason, in 2021 we continued to ensure that our core programmes and all new initiatives are aligned with the Fair Pay Charter principles, and plans are in place for 2022 and beyond.

We welcome feedback from colleagues and other stakeholders on how we might enhance our approach to fair pay.

Our Fair Pay Charter covers all areas of reward, including:

- Fixed pay
- Variable pay
- Recognition awards
- Core & additional benefits
- Share-save
- Learning & development opportunities
- International mobility
- Wellbeing support
2021 highlights and 2022 activities

During the year, progress has been made in offering security and protection to our colleagues, particularly in the face of challenges from the pandemic.

Our principles

Living Wage:
We commit to pay a living wage in all our markets and seek to go beyond compliance with minimum wage requirements

Providing security:
We provide an appropriate mix of fixed and variable pay, and a core level of benefits, to ensure a minimum level of earnings and security to colleagues, and to reflect the Group’s commitment to wellbeing

Reliable pay administration:
Pay is well administered with colleagues paid accurately, on time, and in a way that is convenient for them

2021 highlights

- We continued to use benchmarks to check all employees are paid a living wage
- Fair pay has been extended to our supply chain – the Standard Chartered Supplier Charter published in 2021 sets out how suppliers are encouraged to promote fair pay practices with their workforce
- Medical and financial benefits were enhanced in some markets to address needs arisen from the pandemic (page 6)
- Vaccines have been provided to colleagues and their dependents in a number of markets in support of government-led initiatives (page 6)
- There was increased use of our wellbeing programmes and app (page 7)
- Senior leaders shared their experience on managing mental wellbeing in a video series ‘Bringing your best self to work’ (page 7)

What are we doing in 2022?

- To offer greater security and further promote consistency and inclusivity, we are exploring enhancements to our leave arrangements to better support colleagues with care-giving responsibilities
- We will partner with the City Mental Health Alliance to conduct country-specific assessments and gather insights on creating a mentally healthy workplace
- We will continue with the phased migration to a more robust global payroll platform supporting pay administration
Beyond foundational support, we have managed to offer greater flexibility and create a more inclusive environment. Fair pay considerations continued to play a key role in our annual process to ensure that performance, pay and promotion decisions are free from bias.

Our principles

**Flexibility for all:**
We support colleagues in working flexibly, in ways that balance both business needs and their personal circumstances, and provide colleagues with the opportunity to select the combination and level of benefits that is right for them.

**Competitive pay opportunities:**
We provide a competitive total fixed and variable pay opportunity that enables us to attract, motivate and retain colleagues based on market rates for their role, location, performance, skills and experience.

**Inclusive environment:**
We are committed to rewarding colleagues in a way that is free from discrimination on the basis of diversity, as set out in our Group Code of Conduct.

2021 highlights

- Future Workplace Now, our new approach for hybrid working offering time and location flexibility, was launched in 28 markets in 2021 (page 8)

- We extended our flexible benefits offering to colleagues in Malaysia in March 2021 for all Global Business Services and non-unionised Bank colleagues

- We continue to provide reporting tools to HR teams and people leaders to check for bias in pay decisions (page 9)

- The phased roll out of our internal virtual talent marketplace has offered different career and development opportunities for our colleagues, and created possibilities for upskilling and reskilling

- We continued to leverage our new digital learning platform, diSCover, to upskill and reskill our colleagues

- Further to our recent study on menopausal impacts on careers of female colleagues, we have reiterated our commitment on creating an inclusive environment for our employees and identified how we can leverage our programmes and policies to support our colleagues managing the menopause (page 7)

What are we doing in 2022?

- We will continue to roll out Future Workplace Now in the remaining markets

- We will roll out virtual talent marketplace for the rest of the Bank in phases in 2022
On our approach to performance and reward, we continued to align to our principles of consistency, transparency and clarity globally.

Our principles

**Consistent reward structures:**
The structure of pay and benefits is consistent for colleagues based on their location and role, with a clear rationale for exceptions.

**Transparent pay decisions:**
We ensure pay decisions reflect the performance of the individual, the business they work in and the Group, and recognise the potential, conduct, behaviours and values demonstrated by each individual.

**Clear expectations:**
We set clear expectations for how colleagues are rewarded and the principles guiding decisions, including clear personal objectives and feedback.

**Clear communication:**
We provide clear communication of pay and performance decisions, and seek feedback and input from colleagues on our pay structures and outcomes.

2021 highlights

- Our approach to determine variable pay continued to consider both achievements and demonstration of our valued behaviours, and was applied consistently across the Group (page 9).

- Further progress was made in our multi-year review of benefits to increase the consistency of the structure of benefits by country, including alignment of leave entitlements for all colleagues in Jersey, Ireland and the Falkland Islands, and further harmonisation in Hong Kong and Korea.

- India and Hong Kong were among countries increasing life assurance multiples to 4x salary in line with the global minimum standard.

- Our continuous performance management approach encourages frequent conversations and regular feedback through the year (page 9).

- We took on board feedback and refreshed our communications and resources to support people leaders with assessing performance and making pay proposals (page 9).

What are we doing in 2022?

- COVID-19 prompted us to review our medical benefits across our markets and addressed some inconsistencies as part of the pandemic relief work. In 2022, we will continue with the review of medical benefits to reflect the needs of our colleagues.

- We will roll out our new approach to performance and talent management in 2022. In line with the Charter, our approach will place greater emphasis on ‘continuous and real-time’ feedback, regular and high-quality performance conversations and appropriate growth plans.
Supporting our colleagues through the pandemic

A key principle of our Fair Pay Charter relates to providing a minimum level of security for our colleagues through our pay and benefits. Throughout the year, COVID-19 remained a challenge across many of our markets, where the prolonged pandemic and the associated disruptions caused fatigue and was a major source of stress. To support colleagues through these difficult times, we have taken timely actions at global and country levels to strengthen medical and financial protection for our colleagues and their dependents. We have also provided wellbeing support and mobility support where needed.

Enhanced medical and financial support

- Maximum limits on medical benefits have been raised in India, Nigeria and the US to supplement COVID-19 treatment provided by state facilities or to provide support where the Bank’s medical provision is the primary source of health cover.
- In India, Indonesia, Malaysia, Oman, Pakistan, Philippines, Thailand and UAE, vaccines have been procured and/or provided to colleagues and their dependents in support of government-led initiatives.
- In India, additional benefits were introduced on a temporary basis to provide cover for parents and parents-in-law in relation to COVID-19 treatment. Also, specific additional medical support has been provided to cover, for example, negotiated arrangements with medical facilities.
- Across the Group, salary advances have been made available and were disbursed promptly without delays.

Other support through COVID-19 disruptions

- Caregivers’ leave has been introduced globally to support colleagues who were unable to complete work obligations while caring for their families due to COVID-19.
- Due to extended travel restrictions and lockdowns, some of our colleagues had challenges getting back to their employment markets after leave and personal travels. For these temporarily displaced colleagues, where permissible by immigration requirements, employment law, tax and compliance clearance, approval was provided for working abroad on a short-term and temporary basis. The programme continued to be in high demand in 2021.
- The extended COVID-19 disruptions have impacted both our work and personal life and are a source of stress. Our wellbeing tools and support described in this report have provided resources for colleagues to both address immediate concerns and to build resilience during these challenging times.
- In addition, we provided wellbeing support tailored to COVID-19 related challenges in each country to help colleagues cope with local situations, including local webinar series on topics such as bereavement and helping loved ones during difficult times.

As the pandemic remains a challenge globally, we will continue to monitor where support is needed and respond to our colleagues’ needs.
Wellbeing

The Fair Pay Charter sets out our commitment to colleague wellbeing. During the year, we continued to make progress towards creating a workplace and culture that has a positive impact on wellbeing, enabling colleagues to proactively nurture their mental, physical, social and financial health and bring their best selves to work.

Examples of actions to support colleague wellbeing

**Learning programme**

Partnering with clinical psychiatrist and psychologists, we announced the global launch of a learning programme aimed at building resilience in 2020. To date, over 4,000 colleagues have participated in the programme, with more than 60% of participants responding to the survey indicating that they have applied the techniques learnt.

**Wellbeing app**

We have focused on further promoting the usage of our wellbeing app, Unmind, which was introduced in 2020. To date, over 7,200 colleagues are registered on the app and have collectively spent over 30,000 minutes during the year utilising the learning and wellbeing tools offered.

**Mental Health First Aider**

We have expanded our Mental Health First Aider network from 150 colleagues in 2020 to over 380 colleagues in 2021. The network acts as a point of contact for colleagues experiencing mental health issues or emotional distress and now covers 98% of our workforce.

**World Mental Health Day**

As part of the 2021 World Mental Health Day campaign, wellbeing week activities were held across many of our markets.

**Wellbeing experiments**

To experiment with ideas to improve wellbeing at a team level, a number of teams have introduced wellbeing initiatives aimed at sparking fun, inclusion and collaboration around wellbeing during the year. The experiments align to our focus on preventative and proactive wellbeing support in order to create healthier and more sustainable habits.

**‘Bringing your best self to work’**

To create a mentally healthy and inclusive workforce from the top, our Group CEO Bill Winters and Group CFO Andy Halford shared their experiences in a four-part video series in which they talked about how to support others and be an effective leader, how to manage a busy workload while still prioritising wellbeing, and how we all have a role to play in creating a supportive and inclusive culture.

74% of all colleagues feel comfortable sharing stress-related concerns with their People Leaders.

The 2021 My Voice employee engagement survey showed a general reduction in levels of work-related stress, with 33% of colleagues indicating they experience a frequent or consistent level of work-related stress that is challenging to deal with, which is ~7% lower than in 2020 for a similar population. 74% of all colleagues feel comfortable sharing stress-related concerns with their People Leaders. To understand more about the cause of work-related stress, we introduced new questions into the 2021 engagement survey, enabling us to take further meaningful action.
New approach to flexible working

Our Fair Pay Charter commits to supporting colleagues to work flexibly, in ways that balance colleague preference and business demands. In 2020, colleagues transitioned to virtual and flexible working arrangements in a matter of weeks in response to the pandemic. The experience provided an opportunity for us to accelerate the redesign of our approach to flexible working, with the new programme launched in phases across our markets beginning April 2021.

Our new approach to hybrid working

Future Workplace Now, our new approach to hybrid working, is not a temporary solution for the pandemic but a multi-year programme that has been developed in response to the evolving nature of work and changing expectations from clients and colleagues such that we remain future-ready. The move to greater flexibility is supported by colleague feedback and the programme is meant to balance both colleague preference and business demands. Our view is that the way forward is a hybrid approach, combining working together in person with greater flexibility in working patterns and location.

This new approach enables flexibility and at the same time recognises the value in colleagues coming together in the office to connect, collaborate, innovate and learn from others. To support this, our office space is being transformed into communities to enhance business performance, drive connectivity, enable collaboration and support wellbeing. A Near Home solution is also being offered in some markets to complement colleagues’ hybrid working arrangements.

Phased implementation across our markets

In April 2021, employees in eight markets – UK, Hong Kong, Singapore, UAE and Global Business Services Centres in Poland, Malaysia, China and India were able to apply for the new hybrid working arrangement. A further 20 markets were added by the end of 2021 and we saw a high adoption rate of 73 per cent of colleagues moving to formal flexible working arrangements.

We continue to plan for roll out to colleagues in the remaining countries where there are more complex employment requirements. In the meantime, colleagues in these countries can still make use of our pre-existing flexible working approach.

Our move to hybrid working remains contingent upon ongoing global efforts to combat the pandemic and country plans to return to the office.

According to the My Voice employee engagement survey conducted in mid-2021, 42% of the colleagues were working fully from home, 26% fully from the office and 32% a combination of home and office.

Insights and feedback

In order to support leadership decisions and identify ways to work more effectively, insights on the programme are being sought. We will also continue to monitor how we can provide support to our colleagues, however and wherever they have agreed to work with their people leader, as we roll out Future Workplace Now in more markets.
2021 Performance and pay review

We continued to follow the Fair Pay Charter principles of providing competitive pay opportunities and clear performance linkage, expectations and communications as we made pay and performance decisions in 2021.

People leader guidance

Consistent with prior years, our people leaders were reminded that performance, pay and promotion proposals for 2021 must be free from bias and aligned to our Fair Pay Charter.

2021 annual incentives

Annual incentive outcomes for the year were reflective of Group and business/function/region performance, as well as individual performance. Supported by guiding principles, people leaders continued to assess individual performance and demonstration of the Group’s valued behaviours taking into consideration feedback from a variety of stakeholders and any risk, control and conduct issues.

Similar to last year, there was no formulaic link between performance ratings and annual incentive outcomes for colleagues. People leaders continued to have the flexibility to adjust outcomes for individuals with very strong performance and for individuals whose performance fell short of expectations, with management reviews on fairness.

2022 salary proposals

We have Group-wide principles, guided by market data and salary ranges, for making salary decisions to balance what is right for colleagues with the Bank’s financial position.

People leaders set salaries for colleagues based on their roles, skills and experience and review them annually against relevant benchmarks. During the year, we continued to use salary ranges as the external market reference, which now cover 76% of colleagues globally. With the use of salary ranges, we were able to improve the transparency and fairness of fixed pay decision-making, as we reduced the potential risk of bias by shifting the focus from an individual’s past or current compensation, or relying on a single point of market reference, to a salary range for the role developed based on market rates of roles of similar value.

HR review and assurance

On an annual basis our HR teams also conduct:

- A review against living wage rates to check that all our colleagues were paid a living wage sufficient to provide an adequate standard of living, considering changing markets and macro-economic factors; and
- Assurance checks on performance assessments and pay proposals, challenging any potential bias in outcomes.

Piloting our new approach to performance and talent management

As we continue to transform the Bank to achieve our strategic ambitions, we are making changes to the way we manage and recognise performance in 2022 to help create the culture needed for success. Our new approach to performance and talent management hinges upon continuous performance conversations and will further support our principle of clear communication of expectations and regular, real-time feedback. We will place greater emphasis on recognising outperformance driven by collaboration and innovation, encourage more flexibility and aspiration during goal setting and remove individual performance ratings. During 2021, we piloted facets of our new approach with a population of first adopters which helped us refine the design and implementation.
Executive reward

The principles of our Fair Pay Charter apply to all colleagues, including our Group executive directors – Group Chief Executive Bill Winters and Group Chief Finance Officer Andy Halford.

Executive director reward structure

The structure of reward for Bill and Andy is determined by the executive directors’ remuneration policy which is subject to a shareholder vote every three years. Our policy was last reviewed in 2018 and approved by shareholders at the May 2019 AGM. We are presenting our new directors’ remuneration policy for approval at the 2022 AGM and have undertaken an extensive review of the existing policy, including consulting with our major shareholders. We believe the current policy remains appropriate to support the delivery of our strategy, and is aligned with our Fair Pay Charter principles. As such, no significant change to the overall structure or quantum of the current executive directors’ remuneration is being proposed in the new policy.

2021 performance and pay decisions

Performance and pay decisions for our executive directors were made using the Group-wide principles for fixed pay decisions and the Group scorecard to determine incentive outcomes. The 2021 annual incentive for Bill and Andy was directly linked to the Group scorecard outcome. Salary increases for Bill and Andy (effective 1 April 2022) are aligned to the average increase for the UK workforce. Core benefits for the directors, including pension allowance, continue to align with the UK workforce.

Further details on remuneration received by Bill and Andy in respect of 2021 and how they will be paid in 2022 are included in the 2021 directors’ remuneration report section of our annual report.
How closely aligned are we to the principles of our Fair Pay Charter?

1. Living Wage
   We commit to pay a living wage in all our markets and seek to go beyond compliance with minimum wage requirements
   - A living wage is a wage that allows an individual to maintain an adequate standard of living and is based on various economic factors and the cost of goods and services.
   - We have benchmarks in place through our work with Fair Wage Network to check that all colleagues are paid a living wage. We review this annually as part of our year end process.
   - Our commitment to living wage is also incorporated in Standard Chartered’s Supplier Charter.

2. Providing security
   We provide an appropriate mix of fixed and variable pay, and a core level of benefits, to ensure a minimum level of earnings and security to colleagues, and to reflect the Group’s commitment to wellbeing
   - We have guidelines to support our resourcing teams and people leaders in providing an appropriate balance between salary and variable pay opportunity, depending on the role and location, and HR teams check this as part of our hiring and year-end review processes.
   - We provide core benefits in all markets, covering retirement savings, medical insurance, life assurance and annual leave. Our benefits are regularly reviewed and are enhanced where necessary to ensure our colleagues and their dependents are supported.
   - Our global standard for parental leave provides a minimum of 20 calendar weeks of maternity leave, two calendar weeks of parental leave for spouse/partner and two calendar weeks of adoption leave, all fully paid.
   - The Group minimum standard benefit for death-in-service is at a market leading level and the implementation across markets is underway.

3. Reliable pay administration
   Pay is well administered with colleagues paid accurately, on time, and in a way that is convenient for them
   - Our payroll teams maintained 100% on-time payroll delivery during 2021 and over 99% accuracy rate.
   - Our payroll transformation continues at pace, setting the foundations for continued success.

4. Flexibility for all
   We support colleagues in working flexibly, in ways that balance both business needs and their personal circumstances, and provide colleagues with the opportunity to select the combination and level of benefits that is right for them
   - Our global flexible working practices apply to colleagues in all markets. Implementation of the new hybrid working model, Future Workplace Now, is underway.
   - Following successful roll-out of mybenefits (our flexible benefits plan) in Singapore and the UK in 2019, the phased roll-out of mybenefits continued with the launch in Poland in September 2020 and Malaysia in March 2021. The programme enables greater freedom of choice on benefits and cost optimisation, removes differentiated benefits and supports better insights and analytics. Work continues to provide greater choice in benefits to colleagues where possible.

5. Consistent reward structures
   The structure of pay and benefits is consistent for colleagues based on their location and role, with a clear rationale for exceptions
   - Our multi-year review of benefits is progressing, increasing the consistency of the structure of pay and benefits by country. This includes the removal of differentiation of allowances and benefits solely by band, age, tenure and dependent status.

6. Competitive pay opportunities
   We provide a competitive total fixed and variable pay opportunity that enables us to attract, motivate and retain colleagues based on market rates for their role, location, performance, skills and experience
   - We have Group-wide principles, guided by market data and salary ranges, for making salary decisions to balance what is right for colleagues with the Bank’s financial position.
   - In 2021, we continued the use of salary ranges, which now cover 76% of colleagues globally. The use of salary range improves the transparency and fairness of fixed pay decision-making by reducing the potential risk of bias and shifting the focus to the salary range for the role, rather than on an individual’s past or current compensation or a single point of reference.
Pay for performance
We ensure pay decisions reflect the performance of the individual, the business they work in and the Group, and recognise the potential, conduct, behaviours and values demonstrated by each individual.

- Our approach to determine variable pay is consistent across the Group, and considers achievement and demonstration of our valued behaviours in support of the high performance culture we want to embed.
- 2021 annual incentive outcomes are directly linked to Group and business area performance through the application of the Group and Business Area modifiers, with adjustments for both individuals with very strong performance and for individuals whose performance fell short of our high standards determined by people leaders, based on Group guidance or individual balanced scorecards.

Inclusive environment
We are committed to rewarding colleagues in a way that is free from discrimination on the basis of diversity, as set out in our Group Code of Conduct.

- In line with our Group Diversity and Inclusion Standard, our reward policies and practices do not discriminate based on personal characteristics.
- We provide reporting tools to HR teams and people leaders to run live analysis throughout the year end review exercise to identify areas where pay should be reviewed to check it is fair (for example, checking for anomalies by gender and challenging where appropriate).
- We have integrated the principles of diversity and inclusion into all core people processes such as hiring, promotions and development such that our workplace culture provides equal access to opportunity for colleagues of all generations, life stages and personal characteristics.
- Colleagues in a number of markets are now able to disclose their ethnicity data in our HR system, on a voluntary basis. Disclosing this data will help us gain a better understanding of our ethnicity profile thus enabling us to review areas such as equal pay, promotions, succession planning and talent development programmes.
- Our internal virtual talent marketplace offers different types of career and development opportunities for our colleagues, and created possibilities for upskilling and reskilling.
- Our new digital learning platform, diSCover, is used to upskill and reskill our colleagues.

Clear expectations
We set clear expectations for how colleagues are rewarded and the principles guiding decisions, including clear personal objectives and feedback.

- Each colleague has a people leader whose role is to support their development, including discussing personal goals, providing advice through regular discussions and holding regular performance conversations. The People Leader Standard launched in August 2020 includes guidance to support people leaders in making fair and consistent reward decisions.
- All colleagues are encouraged to seek and give feedback to others throughout the year to drive a culture of continuous feedback in line with our approach to continuous performance management.
- Our new approach to performance and talent management hinges upon continuous, real-time performance conversations and supports our principle of clear communication of expectations and regular, real-time feedback.

Clear communication
We provide clear communication of pay and performance decisions, and seek feedback and input from colleagues on our pay structures and outcomes.

- Group communications on year end review outcomes are sent to all colleagues and people leaders, and additional materials are available to support people leaders on how to have effective conversations.
- Feedback is actively sought through My Voice, mid-year conversations and year-end review surveys.
- Where colleagues do not feel decisions have been made fairly or explained clearly, there are mechanisms in place to raise and resolve concerns, ranging from support from people leaders and HR colleagues, to our Speaking Up programme.