

# LME Gender Pay Gap Report 2023

Reporting Period: April 2022 – April 2023



## Overview

This is the seventh consecutive year that the London Metal Exchange (LME) has published its Gender Pay Gap Report, reviewing data from the previous financial year - April 2022 to April 2023. We are also voluntarily reporting the figures for the LME Group (the LME and LME Clear) to provide transparency on our efforts to bring greater gender equality to our business and the wider industry.

In 2023, our mean gender pay gap was 9.9% for the LME and 11.1% for the LME Group, representing a decrease of 0.6 and 4.1 percentage points respectively, year-on-year. This year's numbers represent a decrease of 10.9 (LME) and 9.8 (LME Group) percentage points over the last five years. Our median pay gap was 19.6% for the LME and 12.1% for the LME Group. This represents a slight increase of 1.9 percentage points for LME and a decrease of 4.9 percentage points for LME Group. While there is still work to do to close the gap, the data shows we are on the right track with the measures we have introduced.

As a financial services organisation, our mean gender pay gap has been consistently better than the sector average which currently sits at 22.5% (in comparison to 35.1% in 2017).

Overall, the proportion of women employed by the LME has grown by 5.9 percentage points. Women in the highest pay bracket employed by the LME and LME Group grew by 2.7 and 1.2 percentage points respectively, contributing to the narrowing of the mean gender pay gap. This reporting period, the LME saw a greater number of women hired into more junior positions than men. This contributed to the slight increase in the median gender pay gap and an increase of 11.3 percentage points of women in the LME bottom quartile pay bracket between 2022 and the current reporting period. We expect this gap to reduce as junior female talent develops and progresses within the organisation.

The number of employees who received a bonus last year at the LME fell overall. This variance can be attributed to new joiners in Q4 2022 and Q1 2023 not being eligible for an annual bonus. The bonus gender pay gap – which grew by 15 percentage points from the previous reporting period – can be attributed to two main reasons. Firstly, as we are a small firm any senior leavers can have a large impact on the pay gap, which is one of the reasons for the year-on-year variance in bonus gap. Secondly, the LME Group undertook a salary realignment exercise in July 2022, where LME base salaries and total compensation were compared with the market. Typically, where increases to base salary occurred as a result of the realignment exercise, they were funded by reappportioning an element of the individual's bonus into base salary. On average, this impacted female employees more.

Our gender pay gap is not due to unequal pay for equal work by men and women but rather is driven by the fact that there are more women than men in junior roles and more men than women in senior roles. Throughout our organisation, there are more men employed than women. We are addressing this through various initiatives designed to attract, retain and promote female talent; however, this reporting period saw a greater number of women hired in more junior roles, which contributed to an increased median gender pay gap. In time we expect this will reduce as women are promoted into senior roles in the organisation.

In 2023, 20 female employees were promoted at the LME. We are committed to promoting women each year, growing our in-house talent pool and achieving a more balanced representation of women in senior management positions.

We are an equal pay organisation and recognise the importance of recruiting and promoting women into leadership roles to close our gender pay gap. In 2020, we signed the HM Treasury Women in Finance Charter and are working towards our pledge of 40% female representation across senior leadership roles



(SVP and MD) by 2025. This number currently sits at 33.9% and we are committed to making further progress over the next 12 months.

As well as hiring and promoting women into senior leadership roles, we recognise the importance of creating a diverse talent pipeline at all levels of the organisation and we continue to build out our Learning and Development offering. There were 10 women nominated for our AVP Excellence programme in 2023 out of a total 17, which helps to develop communication and leadership skills amongst our high potential AVP level employees. By harnessing and developing the talent of those in mid-level job roles, we are able to retain more women across the organisation, who can then progress into leadership roles.

### What is our gender pay gap and what does it mean?

The figures below demonstrate the mean and median difference between male and female pay, as well as bonuses. For example, if average male pay was £100 per hour and average female pay was £75 per hour there would be a gender pay gap of 25% – that is to say, women would be paid on average 25% less than men:

### LME gender pay gap

	Pay gap			Bonus gap		
	2021	2022	2023	2021	2022	2023
Mean	13.8%	10.5%	9.9%	2.7%	2.5%	17.5%
Median	22.3%	17.5%	19.6%	3.6%	-11.1%	15.3%

### LME Group gender pay and bonus gap

	Pay gap			Bonus gap		
	2021	2022	2023	2021	2022	2023
Mean	16.2%	15.2%	11.1%	25.3%	26.8%	27.6%
Median	16.7%	17.0%	12.1%	0.0%	-5.3%	14.5%

### LME proportion of men and women receiving a bonus

	2021	2022	2023
Women	92.6%	84.8%	83.3%
Men	90.7%	86.1%	80.2%

### LME Group proportion of men and women receiving a bonus

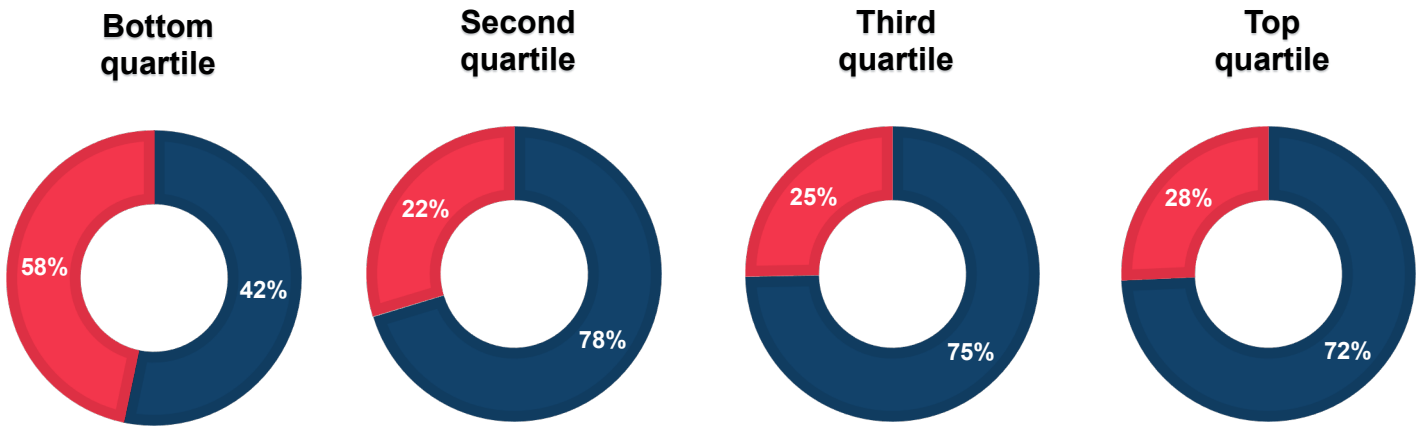
	2021	2022	2023
Women	92.1%	87.6%	84.5%
Men	90.3%	86.5%	81.0%



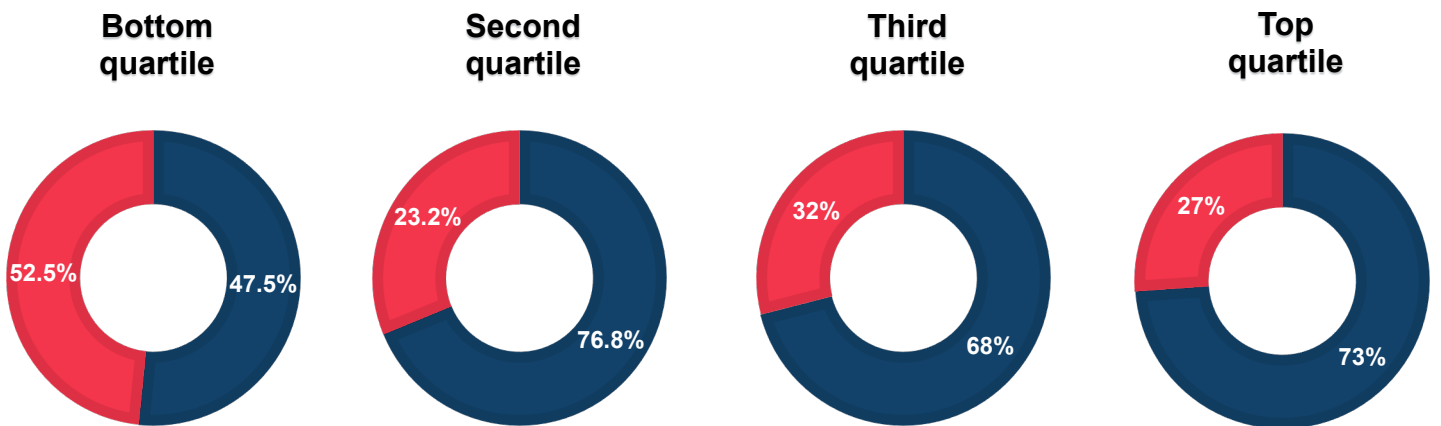
### Proportion of men and women in each pay quartile

The charts below show the proportion of men and women in each of the four pay quartiles, which is calculated by ranking staff's fixed pay from highest to lowest and then splitting it out into four equally sized groups.

#### LME



#### LME Group



Key:





## How are the gender pay gap metrics calculated?

### Mean pay gap

*This is the difference between the average pay (using hourly rates) for men compared to women, divided by the average pay for men*

### Mean bonus gap

*This is the difference between the average bonus of men compared to women divided by the average bonus of men*

### Median pay and bonus gap

*The median pay and bonus gaps show the difference between mid-points of pay and bonus for men compared with the mid-points of pay and bonus of women, divided by the mid-points for men*

### Proportion of females and males in each pay quartile

*This represents the proportion of men and women in four pay bands, the lowest band (quartile) represents the lowest paid 25% and the top band (quartile) represents the highest paid 25%*

### Breakdown by corporate grade

*We believe it is appropriate to publish a breakdown of gender pay by corporate grade when the number of employees across all corporate grade levels exceeds 12, including a minimum of three female and three male employees. We have set these criteria to ensure that the pay gap figures are meaningful and that the reported data does not unintentionally disclose employees' personal pay details. The number of employees across all corporate grade levels in 2022 did not exceed 12 and therefore we have not included a corporate grade breakdown in this year's report.*

## Summary

As a small organisation, we recognise that small changes to the number of women and men at all levels of the organisation can have an impact on our pay gap. We are focused on hiring female talent at all levels and ensuring retention and progression to more senior roles by fostering an inclusive workplace.

The decrease in our gender pay gap reflects the work we are doing internally with regards to the attraction, promotion and development of women. While this is encouraging, we are aware there is more to do to close the gap by attracting, promoting and developing women at all levels of the organisation.

We continue to push forward our strategy below, to attract, retain and promote more female talent and close our gender pay gap.

**Attract:** Encouraging the best and brightest female talent through our inclusive recruitment process remains the cornerstone of our attraction strategy. Where possible, we use a diverse, gender-balanced panel of interviewers to meet with prospective employees, to encourage diversity and inclusion. Our apprenticeship programme has continued to build a strong and diverse junior talent pipeline across the organisation, and we are committed to continuing this further in 2024.

**Retain:** We continue to be active members of the 30% Club cross-company mentoring programme – increasing our participation in 2023 to 20 employees, 10 mentors and 10 mentees – and have extended our membership for a further year. We've expanded our "buddy" system to help employees who are returning to work after a period of extended absence such as parental leave. To foster an inclusive environment where



LME employees understand the importance of diversity and inclusion, we have rolled out unconscious bias training to all staff and incorporated it into our new joiner induction programme. Over the past 12 months, our D&I networks have grown – we've created a new group to promote social mobility at the LME and in the City more broadly. We continue to raise diversity and inclusion awareness through events, speaking opportunities and regular internal communications.

**Promote:** Our focus also remains on promoting female talent across the organisation. As of 30 September 2023, the number of women in senior management positions (SVP and MD level) is 33.9%. Over the next 12 months we will continue working towards our Women in Finance Charter pledge of having 40% of senior management roles filled by women by 2025. We continue to consider gender diversity when reviewing our succession plans to ensure a strong pipeline of diverse talent is set up for future success.

We confirm that the information reported is accurate.

**Matthew Chamberlain, CEO – London Metal Exchange**

**Michael Carty, CEO – LME Clear**

**Sarah Burdett, Head of HR – LME Group**