

LME Gender Pay Gap Report

2017 (published March 2018)

Under new UK legislation, companies with more than 250 employees need to report specific gender pay information.

Despite the LME having slightly fewer than 250 employees, we are voluntarily reporting our numbers, as we believe that the transparency gender pay gap reporting creates is an important step to understanding and addressing the gap that exists in our wider working society. To further aid transparency, we are also reporting figures for the LME Group (combining the LME and its clearing house, LME Clear).

We believe there are many positive messages from our analysis. We are an equal pay employer and 30% of our senior leadership team are female. In particular, we are proud that for all grades up to and including Senior Vice President, our male and female average pay gap is lower than the UK national average and is significantly lower than the finance sector average. That said, we fully acknowledge that there is more work to be done to reduce this gap both on a UK systemic level and in terms of our own efforts.

In particular we are aware that, at Managing Director level, there is a more defined gender pay gap between men and women, and we continue, therefore, to focus our efforts on promoting women to the most senior positions within those brackets. We strongly believe that diversity accelerates success and we are constantly reviewing our policies and practices to attract, retain and promote a more balanced workforce which represents the diverse communities we operate in.

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 males and females in four pay bands, the lowest band (quartile) represents the lowest paid 25% and the top band (quartile) represents the highest paid 25%

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:

Pay gap	
Mean	24.1% (35.0%)
Median	25.7% (20.0%)

Bonus gap	
Mean	34.0% (46.7%)
Median	13.1% (20.0%)

* Figures shown in brackets are LME Group metrics (combining the LME and LME Clear) and are included in order to provide further transparency.



Proportion of females and males receiving a bonus

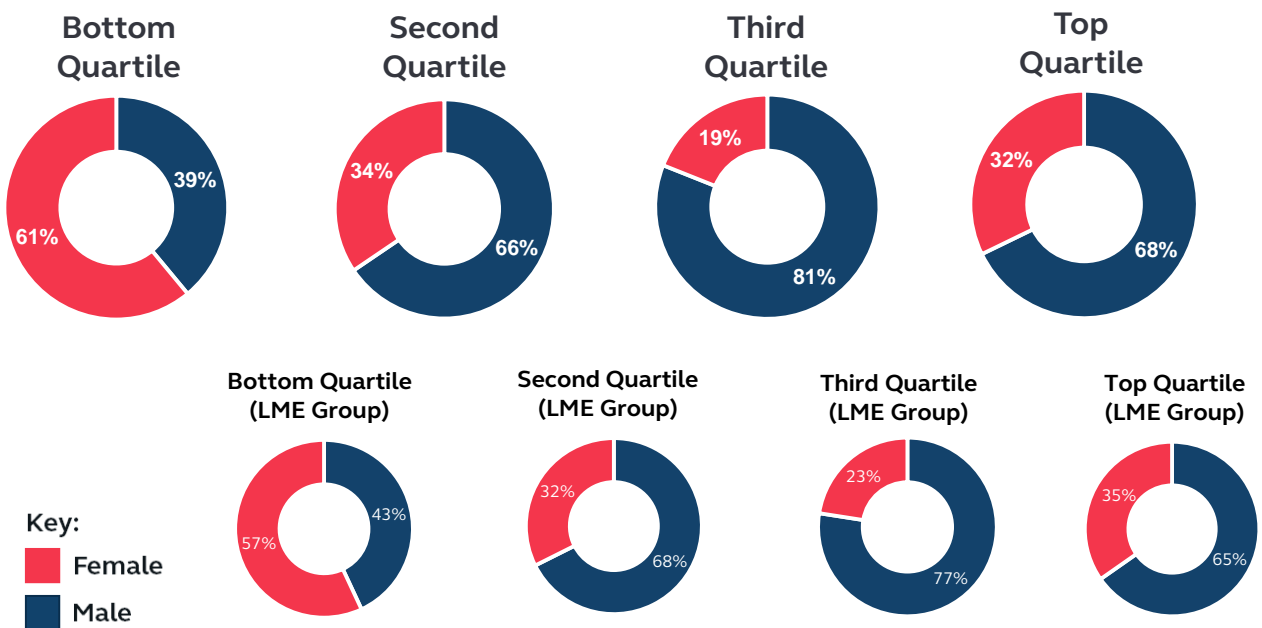
Females	91.1% (90.9%)
Males	87.3% (85.2%)

Our gender pay gap is not an equal pay issue, which is different to gender pay. The LME is committed to ensuring that men and women are paid equally for equal work. We are also advocates of performance-related pay – the approach that we take with our annual salary review and bonus process is focussed solely on performance and achievements throughout the year. Rather, in common with many other companies, our gender pay gap is driven by two key factors:

- more women than men in more junior roles; and
- more men than women in senior roles.

Proportion of females and males in each pay quartile

The chart below shows 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.



What the details tell us

To provide greater insight into our gender pay gap, we have included a more detailed analysis on the average hourly pay rate by corporate grade.

LME: Mean Gender Pay Gap – Corporate Grade Breakdown

Grade	LME Mean Gender Pay Gap	UK Mean Gender Pay Gap	Finance Sector Mean Gender Pay Gap
Managing Director	39.2%	17.4%*	35.1%*
Grades: Officer to SVP	13.5%		

*Source: Office for National Statistics: 2017 Annual Survey of Hours and Earnings

LME Group: Mean Gender Pay Gap - Corporate Grade Breakdown

LME Group metrics combine LME and LME Clear, and are included in order to provide further transparency.

Grade	LME Group Mean Gender Pay Gap	UK Mean Gender Pay Gap	Finance Sector Mean Gender Pay Gap
Managing Director	64.7%	17.4%*	35.1%*
Grades: Officer to SVP	14.5%		

*Source: Office for National Statistics: 2017 Annual Survey of Hours and Earnings

These figures demonstrate that for the majority of our staff (from Officer to Senior Vice President level) the gender pay gap is lower than the national average and significantly lower than that of the financial sector. However, we acknowledge that there is a more substantial discrepancy at Managing Director level and that more needs to be done to tackle the underrepresentation of women in the most senior roles.



How we are addressing our gender pay gap

To address the key issue of the underrepresentation of women in the most senior roles, the LME is taking positive action to attract, retain and promote our female staff.

- **Attract:** we are proposing to ask our resourcing partners to provide us with CVs that consist of at least 50% female candidates where possible. We will continue to review our recruitment processes to identify further improvements.
- **Retain:** we are reviewing our current flexible working arrangements to identify areas where we can better support our female staff.
- **Promote:** we will also proactively identify our female talent pipeline and begin to design a career progression programme to encourage and progress our senior female talent.

We are committed to the career development of our female staff, and to ensuring that the higher corporate grades are available to them – where possible we aim to promote from within and encourage female progression into senior roles.

This year, to support these commitments, we have nominated a Managing Director as a Diversity Champion, whose goal is to enhance our procedures in attracting, retaining and promoting women. The Diversity Champion will oversee and execute our initiatives.

We strongly believe that greater diversity brings greater business success and that progressing the careers of women and promoting more women within our organisation is pivotal to our growth.

We confirm that the information reported is accurate.

Matthew Chamberlain
CEO – London Metal Exchange

Adrian Farnham
CEO – LME Clear

