

## LME Gender Pay Gap Report

2018 (published March 2019)

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**In 2018 the London Metal Exchange (LME) voluntarily published its gender pay gap information for 2017, despite having slightly fewer than the required 250 employees. This year we are again undertaking voluntary reporting as we believe that transparency around gender pay gap reporting continues to play an important role in understanding and addressing the gap that exists in our wider society. To further aid transparency, we have taken the same approach as last year and are also reporting the figures for the LME Group (the LME and its clearing house, LME Clear).**

In April 2018, we committed to taking steps towards closing the gender pay gap across the LME Group and we are pleased with the progress made so far whilst recognising there is still more to do. As a financial services institution we are pleased to announce that our 2018 gender pay gap is well below the sector average - 19.0% (LME) and 20.8% (LME Group), compared to the 33.4% average. We are an equal pay employer and 27% of our senior leadership team are female. We made a commitment to hiring more female staff across the business in 2018 and have been successful in doing so with 42% of our new hires over the past 12 months being female.

The targets we set ourselves over the past 12 months went beyond numerical aspirations; we have also implemented a number of internal initiatives that continue to challenge the status quo and our ambitions around gender and diversity. We are pleased with the progress we've made in these areas too. Over the past year we have launched a Diversity Forum, championed by the Chief Executive of LME Clear. Our Diversity Champion, with input from our Diversity Forum and the engagement of our HR team, has been responsible for

enhancing our procedures in attracting, retaining and promoting women. Our employees are passionate about diversity and we want to work together to create meaningful change. We hope that over the next year the forum will continue to help build our Diversity and Inclusion strategy.

In addition to this, we have introduced various internal training programmes in order to retain and promote both female and male talent within the business and we have introduced agile working arrangements including a working from home policy to better support our staff. Whilst we are pleased with the progress we have made over the past 12 months, we understand that this is a long term initiative and that there will be short term volatility and fluctuations in the pay gap numbers year on year.

## **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%*

### **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 this criteria to ensure that the pay gap figures are meaningful and that the reported data does not unintentionally disclose employees' personal pay details. This number of employees across all corporate grade levels in 2018 did not exceed 12 and therefore we have not included a corporate grade breakdown in this year's report.*



## 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

Pay gap		
	2017*	2018
Mean	23.7%	19.0%
Median	29.9%	27.5%

Bonus gap		
	2017*	2018
Mean	32.9%	17.6%
Median	15.8%	15.1%

### LME Group

Pay gap		
	2017*	2018
Mean	23.3%	20.8%
Median	20.2%	26.3%

Bonus gap		
	2017*	2018
Mean	46.1%	34.6%
Median	20.0%	13.7%

\* Restatement note 2017

*During the course of the year and upon further advice, we refined our calculations to ensure we were including the relevant pay elements. In order to appropriately reflect the UK specific gender pay gap, we have also excluded our non-UK paid staff. As a result, we have restated our 2017 gender pay and bonus gap figures within this report for year-on-year comparison. You can find our 2017 Gender Pay Gap Report [here](#).*



## Proportion of females and males receiving a bonus

### LME

	2017*	2018
Females	90.7%	90.7%
Males	87.0%	82.8%

### LME Group

	2017*	2018
Females	90.6%	90.5%
Males	84.9%	82.1%

\* see Restatement note 2017

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.

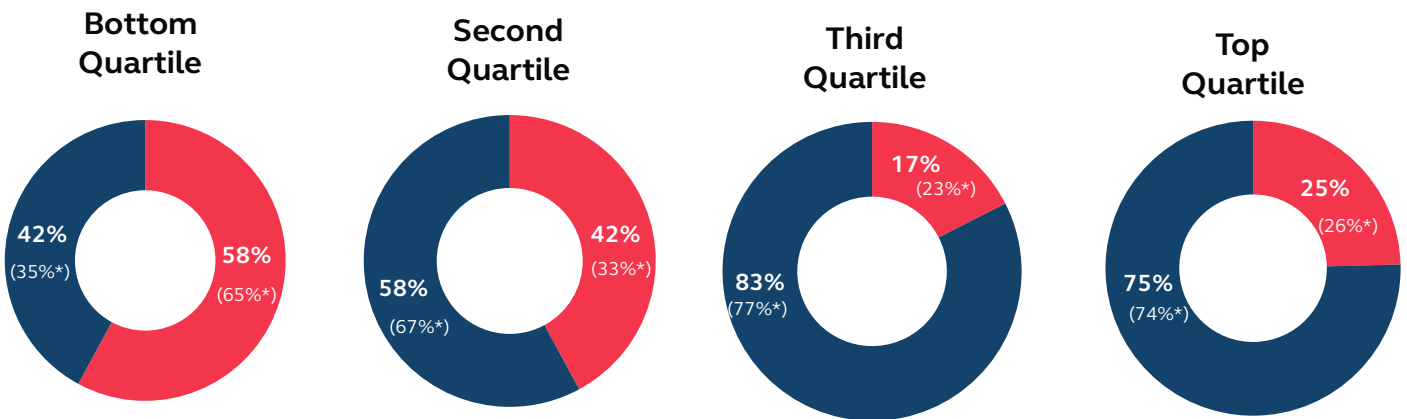


## Proportion of females and males in each pay quartile

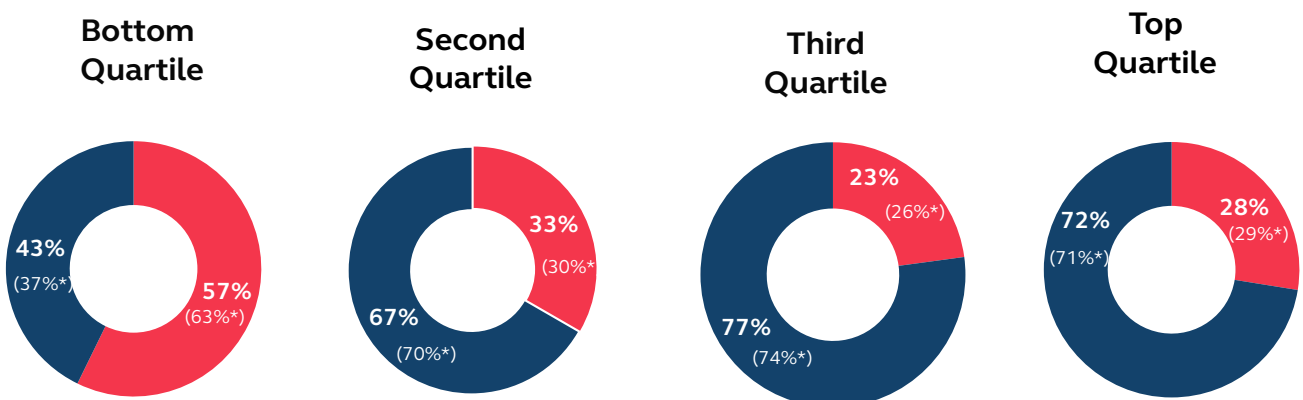
The chart below shows the proportion of men and women in each of the four pay quartiles, which is calculated by ranking staff's fixed pay from highest to lowest and then splitting it out into four equally sized groups.

### LME 2018

Figures in parentheses are 2017 restated figures



### LME Group 2018



Key:

- Female
- Male



## How will we continue to address our gender pay gap?

We understand the importance of continued efforts across the business and the wider industry to further close the gender pay gap and promote a working environment in which all our staff feel comfortable, respected and valued. We would like to deliver meaningful and sustainable progress and our strategy is focussed on entrenching a respectful workplace culture, driving integration and inclusion for all employees.

Although we are pleased with the progress we have made over the past 12 months and our success in achieving the targets we set, this is a long-term initiative and there is still more work to be done.

We continue to focus on three key areas of attracting, retaining and promoting our female staff and will set a new set of goals to hold ourselves accountable over the coming 12 months, and drive further change.

**Attract:** In 2018, we asked our resourcing partners to provide us with CVs that comprise at least 50% female candidates where possible. Of all new hires over the past 12 months, 42% were female. Over the next 12 months we will continue to attract new female talent and will track and analyse female applicants, building on the headway we have made so far and increasing the proportion of female employees – particularly, where possible, in senior management roles.

**Retain:** In 2018, we launched a Diversity Forum at the LME, championed by the Chief Executive of LME Clear, seeking views and ideas and working together to create meaningful change. In the past year, we have also introduced a number of internal programmes in order to retain and promote both female and male talent within the business. Finally, we have introduced agile working arrangements to better support our staff. Our working from home policy has been popular across the organisation, with 62% of our applications coming from female employees. We will continue to offer this option to all employees, helping to continually improve the work life balance of all employees.



**Promote:** In 2018, we successfully introduced our Assistant Vice-President (AVP) Excellence course, helping to promote talent and enhance the leadership skills of our high potential employees at this grade level across the business. Our sole promotion to MD level in 2018 was a female member of staff. Over the next 12 months we will be introducing a number of additional learning and development initiatives at other levels. We hope that by developing our employees and fostering the great talent we have within the business, we are able to promote more staff internally into senior roles.

We view diversity in the broadest possible sense beyond gender and including ethnicity, disability, mental health and sexual orientation. We are committed to focussing, through a diversity lens, on these issues, placing more importance and prioritising the impact they have on our employees, and creating a workplace that is as inclusive and diverse as possible

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**

**Sarah Burdett**

**Head of HR – LME Group**

