

## **LME Gender Pay Gap Report**

**2019 (published March 2020)**

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**For the last two years the London Metal Exchange (LME) has voluntarily published its gender pay gap information, despite having slightly fewer than the required 250 employees. This year, with over 250 permanent employees, we are obliged to publish and pleased to do so as we believe that transparency around the gender pay gap continues to play an important role in understanding and tackling the gender-based inequality that persists in our wider society. To further aid transparency, and similarly to the previous two years, we are also reporting the figures for the LME Group (the LME and its clearing house, LME Clear).**

Gender diversity is a core focus at the LME, and we are taking steps towards closing the gender pay gap across the business. We are pleased with the progress that we have made so far, but understand that there is more work to do, in order to close the gap entirely.

Our 2019 gender pay gap for the LME is 19.4% and for the LME Group is 22.2%, which is largely static year on year. As a financial services institution, we are below the sector average, which currently stands at 32.7%.

We are an equal opportunities employer and 33.3% of our senior leadership team are female. We made a commitment to continue hiring more female staff across the business in 2019 and have been successful in doing so with 48% of 2019 hires being female, up from 42% in 2018.

Over the past 12 months, we have continued to build on our internal diversity and inclusion strategy, setting ourselves challenging goals and continuing to put these values at the forefront of everything we do at the LME. Our Diversity Forum, launched in 2018, has expanded considerably, with active networks and working groups that go beyond gender, focussed on creating and encouraging a diverse workforce across the board – including race and ethnicity, LGBTQ+, social mobility, disability and mental health. Throughout the past 12 months our networks have continued to raise awareness, drive engagement and build support through

events and experience-sharing opportunities. We have celebrated Black History Month and Pride, as well focusing on activities around stress management and wellness, to help encourage the wellbeing of all employees. In 2019, the LME also became Stonewall Champions, actively participating in Stonewall initiatives to drive accountability for delivery of the LGBTQ+ agenda.

Education continues to play an important role in progressing the diversity and inclusion agenda at the LME. We have recently introduced unconscious bias training for employees, starting with senior management and being rolled out to all managers in 2020. Other internal training programmes have been successful in retaining and promoting female talent, with 57% of senior management promotions in 2019 being female, and the only promotion to Managing Director level being female.

Our agile working arrangements, including a working from home policy, continue to be popular with staff, and at the end of February 2019, 16% of LME employees had implemented a working from home arrangement, of which 55% were female.

Whilst we are pleased with the progress we have made over the past 12 months, we understand that closing the pay gap is a long-term initiative and that there will be short-term fluctuations in the pay gap numbers year on year. We are confident that the LME's trajectory for closing the gender pay gap is on course and remain deeply committed to its further reduction in the coming years.



## **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. The number of employees across all corporate grade levels in 2019 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		
	2018	2019
Mean	19.0%	19.4%
Median	27.5%	25.5%

Bonus gap		
	2018	2019
Mean	17.6%	13.8%
Median	15.1%	9.0%

### LME Group

Pay gap		
	2018	2019
Mean	20.8%	22.2%
Median	26.3%	23.0%

Bonus gap		
	2018	2019
Mean	34.6%	28.6%
Median	13.7%	9.6%



## Proportion of females and males receiving a bonus

### LME

	2018	2019
Females	90.7%	81.3%
Males	82.8%	89.6%

### LME Group

	2018	2019
Females	90.5%	80.7%
Males	82.1%	89.6%

The LME is an equal pay employer, and is committed to ensuring that men and women are paid equally for equal work. We are also advocates of performance-related pay, and ensure that allocation of any annual bonus scheme is based on the performance of our employees throughout the year. The percentage of females receiving a bonus decreased slightly in 2019, due to a large number of female hires throughout Q3-Q4. This increase can be explained by the bonus cycle timings.

Our gender pay gap is not a question of unequal pay, but is driven by two key factors:

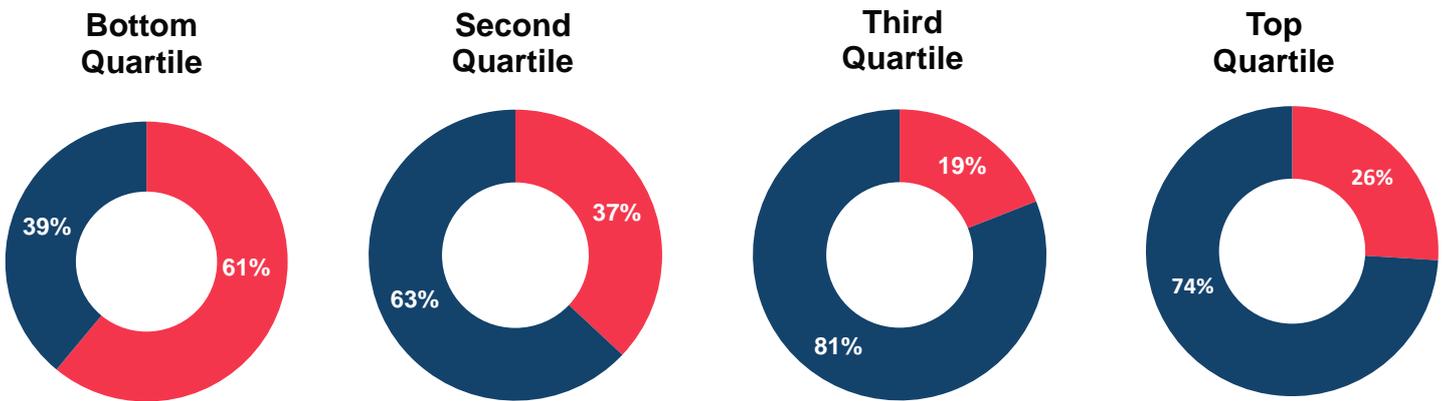
- more women than men in more junior roles; and
- more men than women in senior roles.



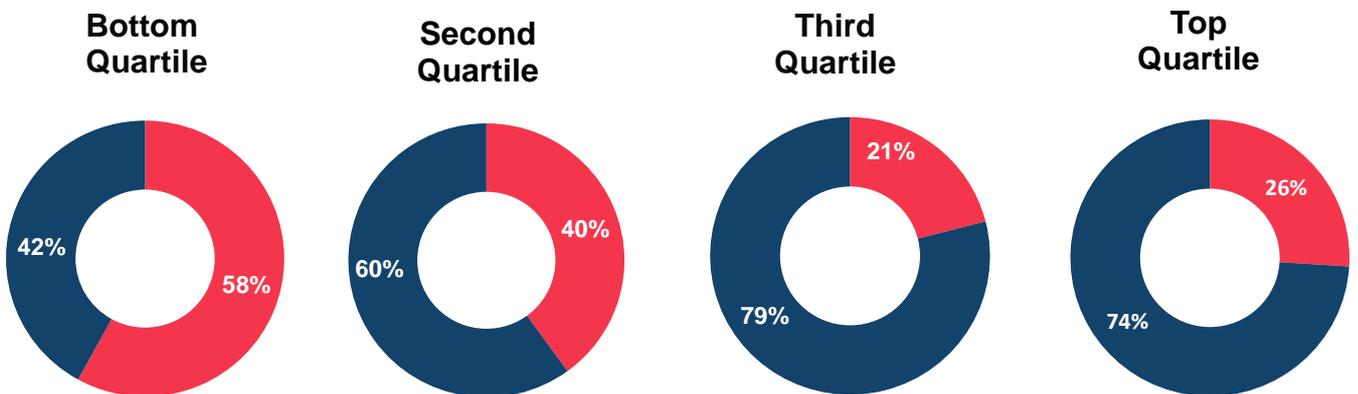
## Proportion of females and males in each pay quartile

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 2019



### LME Group 2019



Key:

- Female
- Male



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

At the LME we are committed to attracting, supporting and promoting a workforce that represents the diverse communities in which we operate. We pride ourselves on respectful working partnerships that are intrinsic to how we do business with our members and clients, and how we interact with our colleagues, and we are focussed on maintaining an inclusive workplace culture.

Whilst we are pleased with the progress we have made in the gender diversity space, we understand there is still more work to be done, and we continue to work on attracting, retaining and promoting female staff. As such, we have set ourselves challenging goals for the upcoming year to ensure that we are able to drive further tangible change.

**Attract:** Whilst we are pleased with the amount of female hires we have made over the past 12 months (48% female), this will remain a key focus for us over the next 12 months. We will include diverse interview practices for all new hires, with a mix of genders on the interview panel, irrespective of the role. We are also focussed on creating a strong junior talent pipeline, and have partnered up with CodeFirst: Girls, to sponsor a group of women to undertake IT coding courses over the coming months. We understand this is an area where female talent is particularly low, not just at the LME, and we are delighted to be able to provide the resources to train more women in IT-based roles.

**Retain:** We have introduced a number of development programs over the past 12 months in order to develop and retain diverse talent at the LME, including participation in the 30% Club cross-company mentoring program for women. We currently have four members of staff enrolled in this – two mentors and two mentees, who either offer or are offered mentoring from women across a range of sectors – in order to promote career development amongst female talent. We will look to roll this out more extensively across the company, positive feedback permitting.

**Promote:** In 2019, our first group of Assistant Vice-Presidents (AVPs) took part in our AVP Excellence course, developing their communication and leadership skills. There were a number of promotions offered to those who undertook the course, progressing from AVP to Vice President level. 40% of females who took part were promoted. Further, we are continuing to proactively develop gender balance on our Executive Committee succession plans. We hope that by harnessing the talent we have internally, more of our female staff will be able to progress



into senior management roles, which will, in turn, continue to close the gender pay gap across the business.

Over the past 12 months we have taken steps to enhance our diversity and inclusion strategy at the LME and ensure that all staff feel welcome, included and respected. We have actively worked on closing the gender pay gap across our organisation and will continue to do so over the coming years. We strongly believe that greater diversity brings a stronger workforce, and we are fully committed to progressing the careers of women across our business and promoting them within our organisation, which is fundamental 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**

