



LME Gender Pay Gap Report

2020



Introduction

This is the fourth consecutive year that the London Metal Exchange (LME) has published its Gender Pay Gap Report. We are also voluntarily reporting the figures for the LME Group (the LME and its clearing house, LME Clear), which aligns with our commitment to transparency in our efforts to bring greater gender equality to our business and the wider industry.

Our 2020 gender pay gap for the LME is 11.9% and 15.5% for the LME Group, which represents a respective decrease of 7.5% and 6.7% year-on-year. While this reflects positive change in our business as we continue to strive for greater gender parity, it is, however, important to note that this year's data saw a slightly exaggerated decrease due to some one-off benefits and anomalies in pay related to senior female staff hires.

As a financial services institution, our gender pay gap is well below the sector average, which currently stands at 29.5%.

We are an equal opportunities employer and 33% of our senior leadership team (Managing Director and Senior Vice President level) are women, as of March 2021. In 2020, 30% of all hires across the business were women, and we have taken some significant steps this year to increase female representation across senior leadership positions, such as signing the HM Treasury Women in Finance Charter. In signing the charter, we set a stretching but considered target of filling 40% of all senior leadership roles with women by 2025. The LME leadership team are accountable for working to achieve the targets set within their own business units, which will require attracting, developing and supporting high potential senior women within the organisation to create a gender-balanced succession pipeline.

As well as hiring and developing women into leadership roles, we believe it is also important to create a sustainable pipeline of diverse talent at all levels of the organisation. To enable this, we have launched an apprenticeship programme that strongly encourages applications from candidates from diverse backgrounds and under-represented groups in our industry. The programme is designed to introduce recent school leavers to the fundamentals of working in the commodity-trading sector and within a recognised investment exchange (RIE). The four apprentices currently enrolled on the programme will gain experience across the operations function within the LME while also studying for a CISI investment operations certificate.

The LME remains committed to mentoring and sponsorship programmes across the financial services and commodities sectors. Throughout 2020 we were enrolled in the 30% Club cross-company mentoring programme, which provides women with the opportunity to enter into a mentoring relationship with individuals from outside the LME, with the aim of providing additional personal development and guidance as they move forward in their careers.

We understand the value that mentoring programmes can bring to those looking to build successful careers and improve their confidence; therefore, we have recently extended our membership for a further two years and expanded our involvement, with ten employees now enrolled in the programme – five mentors and five mentees.

Beyond the financial services and commodities sectors, the LME also sponsored six women from across the UK to take part in the CodeFirst: Girls programme throughout the summer of 2020. The programme, which helps to provide young women with essential coding skills, is dedicated to transforming the technology industry by providing the skills, space and inspiration for women to become developers and future leaders, as well as helping companies in the tech sector to develop more female-friendly recruitment processes. The



women we sponsored came from a range of diverse backgrounds, with differing aspirations around their future career paths.

Fostering a diverse and inclusive organisation is critical to business success, and the LME is committed to attracting, supporting and promoting a workforce that represents the diverse communities in which it operates. To that end, our internal Diversity & Inclusion Forum, which launched in 2018, has continued to expand with active networks and working groups that go beyond gender. The forum, which is sponsored by Adrian Farnham, Chief Executive of LME Clear, and chaired by Sarah Burdett, Head of HR for the LME Group, includes representatives from across different departments and levels of the business.

The forum and networks collectively work on driving forward each of the five key areas of focus within our diversity and inclusion strategy: 1) gender, 2) race and ethnicity, 3) LGBTQ+, 4) disability and mental health, and 5) social mobility.

During 2020, we celebrated Black History Month, International Women’s Day and Pride, as well focusing on activities to continue to support the mental and physical wellbeing of all employees, which was particularly important during such a challenging year of remote working. We also continue to be active Stonewall Champions, working towards our Bronze Award – driving accountability for the delivery of the LGBTQ+ agenda and ensuring that our internal policies and communications are inclusive of every individual within our workforce, as well as being attractive and welcoming for potential future employees.

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	
	2019	2020	2019	2020
Mean	19.4%	11.9%	13.8%	8.0%
Median	25.5%	23.8%	9.0%	10.3%

LME Group gender pay gap

	Pay gap		Bonus gap	
	2019	2020	2019	2020
Mean	22.2%	15.5%	28.6%	26.7%
Median	23.0%	18.9%	9.6%	9.5%

LME proportion of men and women receiving a bonus

	2019	2020
Women	81.3%	83.6%
Men	89.6%	78.3%



LME Group proportion of men and women receiving a bonus

	2019	2020
Women	80.7%	80.1%
Men	89.6%	78.0%

The decreases in gender pay gap between 2019 and 2020 are very encouraging and reflect signs of positive change towards greater gender parity. However, it is important to note that certain factors such as one-off benefits and anomalies in pay that can occur due to new joiner start dates may exaggerate trends that are perhaps less significant than they appear to be.

At the LME, we believe in performance-related pay, and we ensure that allocation of any annual bonus is based on the performance of our employees throughout the year. The percentage of men receiving a bonus decreased slightly in 2020, due to a high number of male hires throughout Q4 of 2020 and Q1 2021. These individuals would not be eligible for a bonus until the following year, due to our bonus cycle timing, with the cut off for eligibility being the end of Q3 each year.

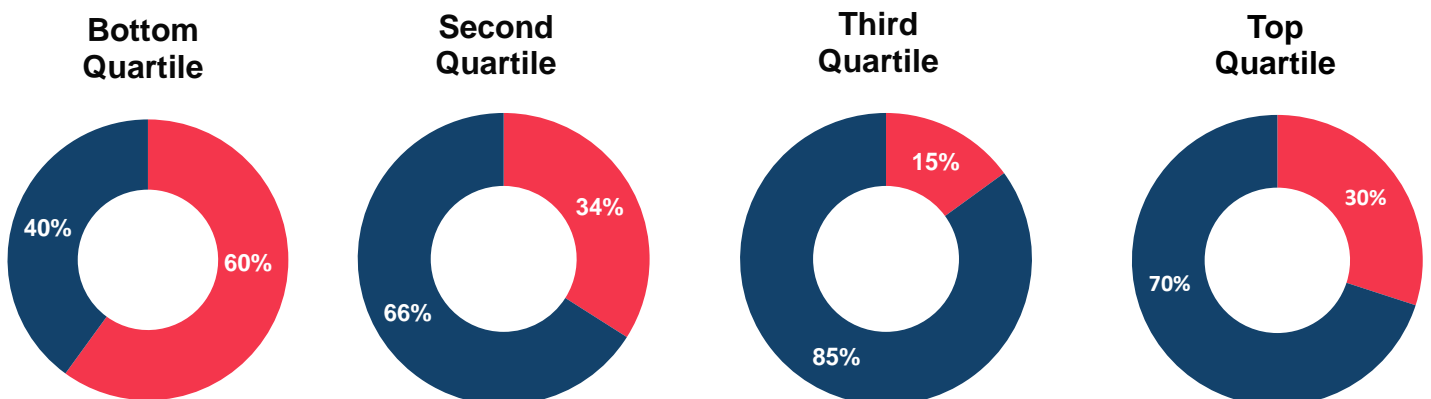
Our gender pay gap is not a question of unequal pay, but continues to be driven by two key factors:

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

Proportion of men and women in each pay quartile

The charts 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.

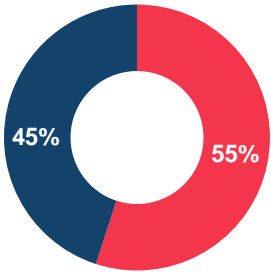
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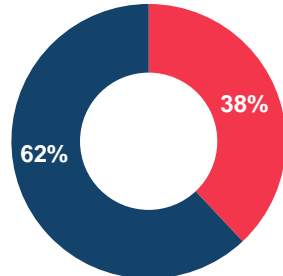


LME Group

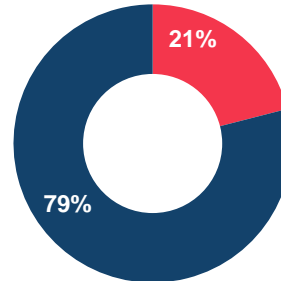
Bottom Quartile



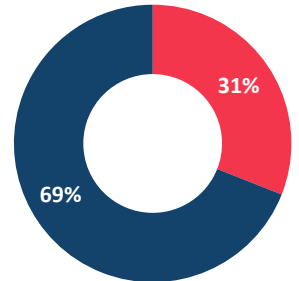
Second Quartile



Third Quartile



Top Quartile



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 2020 did not exceed 12 and therefore we have not included a corporate grade breakdown in this year's report.



How will we continue to address our gender pay gap?

Diversity and inclusion remain a core focus of everything we do at the LME and we are committed to fostering a safe and comfortable working environment, where all of our employees feel valued and supported. Over the next 12 months, we will continue to drive forward our diversity and inclusion strategy, and we have a three-tiered approach in place, in order to help us deliver meaningful and sustainable progress: “drive”, “shift” and “tip”.

So far we have been committed to building out our diversity and inclusion strategy and driving it forward by defining clear areas of focus, developing governance frameworks, raising awareness and engaging our employees. With clear objectives and initiatives now in place, we are entering the “shift” phase, where we are starting to move the dial and see tangible change and progress across each of our diversity pillars.

We remain committed to attracting, retaining and promoting female talent across the business and we have set ourselves challenging goals for the upcoming year to ensure that we are able to drive further tangible change.

Attract: We are pleased with the amount of female hires we have made over the past 12 months (30% female), and this will remain a key focus for us over the coming year. We have introduced diverse interview practices across the business and remain focussed on attracting new talent at all levels, including building a strong junior talent pipeline, through initiatives such as our apprenticeship programme, which launched in January 2021.

Throughout 2020 we also rolled out unconscious bias training to all managers, particularly in the context of hiring and developing diverse talent across the business. This training programme will be rolled out to all staff throughout 2021, as we believe it is important to educate all our employees on recognising the natural biases we have in order to build awareness and ultimately to ensure we continue to attract and cultivate a diverse workforce.

Retain: Our second area of focus is on retaining female talent within the business, and helping women feel supported throughout their careers. To that end, we have extended our membership to the 30% Cross-company mentoring programme for a further two years, and expanded our involvement – with 10 members of staff now enrolled on the programme, who either offer or receive mentoring from women across a range of sectors – in order to promote career development amongst female talent. This is an area we will continue to invest heavily in over the next 12 months.

Promote: Internal training programmes have been successful throughout 2020, with women achieving 52% of all promotions. The pledges we have made in signing the HM Treasury Women in Finance Charter are reflective of our commitment to promote women into leadership roles, which in turn, we believe will continue to close the gender pay gap across the business. We have continued to roll out our AVP Excellence Programme, helping to develop communication and leadership skills amongst our high potential AVP level employees, and we hope that by harnessing the talent we have internally, more of our female staff will be able to progress into senior management roles.

Our commitment to gender diversity at the LME is a long-term one and we understand that as an organisation, and part of the wider financial services and commodities sectors, there is still work to do in this space. We also understand that while we have made significant progress over the last 12 months, the small size of our organisation means we are likely to see fluctuations in our numbers from year to year.



Nonetheless, we believe we are on the right path, and with the targets we have set ourselves over the coming years, we are confident in our ability to rebalance any gender inequality and close the gender pay gap across our organisation.

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