



# Gender Pay Gap Report

2021



## Introduction

This is the fifth 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 2021 gender pay gap for the LME was 13.8% and 16.2% for the LME Group, which represents a respective increase of 1.9% and 0.7% year-on-year.

As stated in our 2020 report (published in 2021), last year's significant decrease in our gender pay gap (7.5% for the LME and 6.7% for the LME Group) was exaggerated due to some one-off benefits and anomalies in pay, related to senior female hires within the organisation. Whilst we were pleased to welcome more women into leadership roles, we noted the likelihood of an increase in our gender pay gap this year as a result. Given the small size of our organisation, a few very small changes in pay across the business can have a significant impact on our gender pay gap. Despite the small percentage increase this year, it is worth noting that from 2019-2021, we have seen a decrease in our gender pay gap by 5.6% for the LME and 6% for the LME Group. We are therefore confident in the progress we are making toward our longer-term goal of closing the gender pay gap across the business.

As a Financial Services organization, our gender pay gap is significantly better than the sector average which currently sits at 29.9%.

We are an equal opportunities employer and as of April 2021, 33.3% of our senior management roles were held by women. In 2021, we saw an increase in female hires across the LME business, and an increase in female staff receiving a bonus – this number now stands at 92.6%, representing a 9% year-on-year increase. Our bonus pay gap has also decreased year-on-year, by 5.3% for the LME and 1.4% for the LME Group.

In 2020 we signed the Women in Finance Charter, pledging our commitment to increase female representation in senior management roles across the business, and set ourselves a target of reaching 40% female representation by 2025. We published our first annual progress update in September 2021, showing an increase of 1.4% year-on-year. 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. In 2021, 37% of all promotions across the business were women.

We also continue to build a diverse pipeline of junior talent, which we deem essential in shifting gender imbalances, and closing the gender pay gap across our organisation. Our apprenticeship programme continues to be a success. The programme, which strongly encourages applications from candidates from diverse backgrounds and under-represented groups in our industry, is designed to introduce recent school leavers to the fundamentals of working in the commodity-trading sector and within a recognised investment exchange (RIE). We currently have four apprentices working in various roles across the Operations function of the business, 50% of whom are women.

The LME remains committed to mentoring and sponsorship programmes across the financial services and commodities sectors. We have been enrolled in the 30% Club cross-company mentoring programme since 2020, providing women with the opportunity to enter into mentoring relationships with individuals from outside the LME, with the aim of providing additional personal development and guidance as they move forward in their careers. It also introduces younger women to the idea of working in senior roles, and the



opportunities available to them. At present, we have 12 employees enrolled on the programme – six mentors and six mentees.

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. Our Diversity & Inclusion Forum continues to expand, consisting of champion groups and networks which encompass the five key areas of focus within our diversity & inclusion strategy: 1) gender, 2) race and ethnicity, 3) LGBTQ+, 4) disability and mental health, and 5) social mobility. The forum is sponsored by Adrian Farnham, Chief Executive of LME Clear and the LME's Diversity Champion, and chaired by Sarah Burdett, Head of HR for the LME Group, and each of the networks within include representatives from across different departments and levels of the business.

To further foster a culture of inclusivity at the LME, in 2021 we launched LMEstories – a series of allies-focused discussions, held under Chatham House rules, and aimed at engendering greater understanding of the experiences and challenges faced by our colleagues within the minority groups represented by the Diversity & Inclusion Forum. During 2021, we also celebrated Black History Month, International Women's Day and Pride, as well as continuing to focus on activities that support the mental and physical wellbeing of all employees, including "Wellness Weeks" and the launch of our mental health first aiders programme.

We continue to be active Stonewall Champions, achieving our Bronze award in early 2022 – recognising the LME's commitment to being an LGBTQ+ inclusive employer.



## 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	2021	2019	2020	2021
Mean	19.4%	11.9%	13.8%	13.8%	8.0%	2.7%
Median	25.5%	23.8%	22.3%	9.0%	10.3%	3.6%

### LME Group gender pay gap

	Pay gap			Bonus gap		
	2019	2020	2021	2019	2020	2021
Mean	22.2%	15.5%	16.2%	28.6%	26.7%	25.3%
Median	23.0%	18.9%	16.7%	9.6%	9.5%	0.0%

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

	2019	2020	2021
Women	81.3%	83.6%	92.6%
Men	89.6%	78.3%	90.7%

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

	2019	2020	2021
Women	80.7%	80.1%	92.1%
Men	89.6%	78.0%	90.3%

The slight increase in our gender pay gap between 2020-2021 can be explained by anomalies in our data last year – with a few female hires at senior levels of the organisation. In last year's report, we explained that we expected to see an increase in our numbers this year, and are encouraged by the longer-term trajectory. We saw a decrease of 5.6% for the LME and 6% for the LME Group, from 2019 to 2021, showing that we are on the right path towards closing the gender pay gap entirely.

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 women receiving a bonus increased by 9% in 2021 for the LME and 12% for the LME Group.

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.

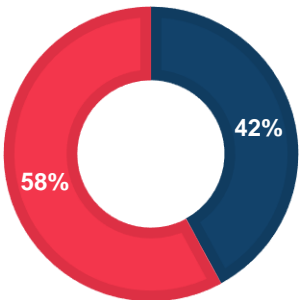


### Proportion of men and women in each pay quartile

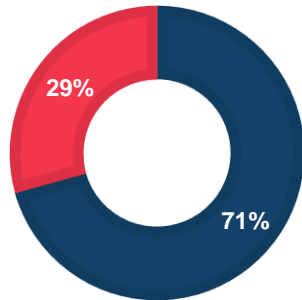
The charts below shows the proportion of men and women in each of the four pay quartiles, which is calculated by ranking staff's fixed pay from highest to lowest and then splitting it out into four equally sized groups.

#### LME

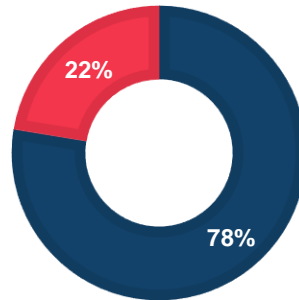
**Bottom quartile**



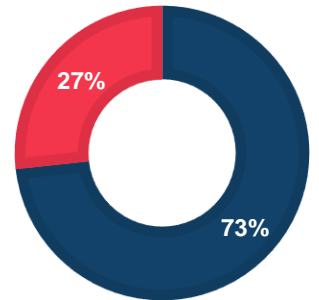
**Second quartile**



**Third quartile**

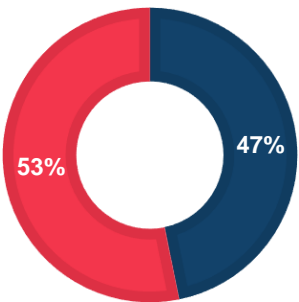


**Top quartile**

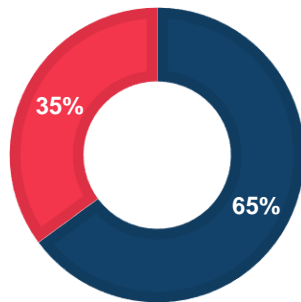


#### LME Group

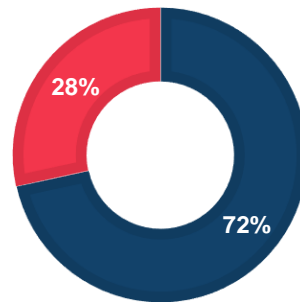
**Bottom quartile**



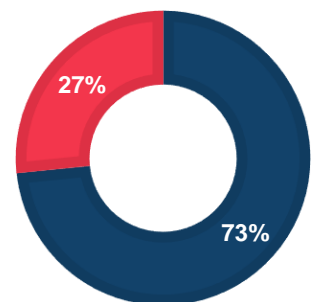
**Second quartile**



**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. We continue to drive forward our three-tiered approach in order to help us deliver meaningful and sustainable progress: “drive”, “shift” and “tip”.

Through the steps we have taken over the last two years, we have been able to see tangible change, and as we move forward into the final “tip” stage our strategy, we will be focused on building on the significant groundwork we've laid to bring about lasting change.

Our mission to attract, retain and promote female talent across the business has led to the implementation of various initiatives to ensure we remain on track to increase female representation in senior leadership roles in the coming years.

**Attract:** Hiring female talent remains a core focus of ours, and female hires increased across the business in 2021. We continue to consciously consider our recruitment practices to ensure that a diverse range of candidates are encouraged to apply for positions. All of our job descriptions now contain an equal opportunities statement, and gender neutral language is used throughout. We also adopt a blind CV approach to all hires, in order to reduce any risk of unconscious bias during the selection process and a diverse, gender balanced, range of interviewers are used.

Our apprenticeship programme is going strong, with 50% of our apprentices being women, working across various roles within the Operations function. Throughout 2022, we will be building out this programme to



cover roles in other functions of the organisation, continuing to encourage applications from under-represented groups, and building a diverse pipeline of talent across the business. Throughout 2020-2021, we rolled out unconscious bias training to all staff, and are now offering it to all new joiners during their first year at the LME. We believe this is an important tool in recognising the natural biases we have, and to build awareness, ensuring we continue to attract and cultivate a diverse workforce.

**Retain:** Our second pillar of focus is on retaining female talent and helping women feel supported throughout their careers. We continue to be active members of the 30% Cross-company mentoring programme, and have extended our membership for a further year. We also continue to build out our internal Learning & Development programmes, ensuring diverse participation from across the organisation. Our AVP Excellence programme continues to run, 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. We currently have 15 employees enrolled on the programme, 40% of which are women.

**Promote:** We continue to promote female talent across the business, and over the past year have seen more women crossing the threshold into senior management roles. The pledges we have made in signing the 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 our organisation.

As an organisation, and as part of the wider financial services and commodities sectors, we realise there is still work to do. However, we believe we are on the right path, with clear progress reflected in the data we're reporting. We have set ourselves some important targets over the coming years and are confident in our ability to close the gender pay gap in our organisation.

We confirm that the information reported is accurate.

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CEO – London Metal Exchange

**Adrian Farnham**  
CEO – LME Clear

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