

Gender Pay Gap Report

2022



Introduction

This is the sixth 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 LME Clear) to provide transparency on our efforts to bring greater gender equality to our business and the wider industry.

Our 2022 gender pay gap was 10.5% for the LME and 14.6% for the LME Group, which represents a respective decrease of 3.3% and 1.6% year-on-year.

As we have previously stated – 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, which is likely to fluctuate slightly year-on-year. Despite seeing a small increase in our gender pay gap in 2021, this year's numbers represent a 13.2% (LME) and 8.7% (LME Group) decrease since we began reporting in 2017 – showing that we are on the right path towards closing the gender pay gap. Whilst we acknowledge that there is still work to do, this decrease reflects positive change in our business.

As a financial services organisation, our gender pay gap has been consistently better than the sector average which currently sits at 26.1% (in comparison to 35.1% in 2017).

We are an equal pay organisation, and recognise the importance of recruiting and promoting women into leadership roles, in order to close the gender pay gap. In 2020 we signed the HM Treasury Women in Finance Charter and are working towards our pledge of 40% female representation across senior leadership roles (SVP and MD) by 2025. This number currently sits at 33% and we are committed to making further progress over the next 12 months.

As well as hiring and promoting women into senior leadership roles, we recognise the importance of creating a diverse talent pipeline at all levels of the organisation and we continue to build out our Learning and Development offering. There were seven women nominated for our AVP Excellence programme in 2022, which helps to develop communication and leadership skills amongst our high potential AVP level employees. By harnessing and developing the talent of those in mid-level job roles, we are able to retain more women across the organisation, who can then move up into leadership roles.

In 2022, 25% of promotions across the organisation were women, which is notably lower than in the previous year. This was primarily due to a regrading process across the IT function, where the proportion of men is significantly higher than in the rest of the business (82.67%). It is also worth noting that the current gender split across the LME is 32.2% women and 67.9% men. For the LME Group it is 33.9% women and 66.1% men.

In order to achieve greater diversity, we must continue to widen our talent pool, and our apprenticeship programme continues to play an important role in helping us to do so – encouraging applications from candidates from diverse backgrounds and underrepresented groups in the sector. The programme continues to expand, now covering all functions of the business. Since 2020, there have been a total of eight apprentices enrolled across two cohorts – 63% of whom have been women. Those apprentices who have completed their placements are now in full-time roles within the LME.

We remain committed to mentoring and sponsorship across the financial services and commodities sectors. The LME has been actively involved in the 30% Club cross-company mentoring programme since 2019, which enables women to enter into mentoring relationships with more senior individuals from outside the LME. We currently have 10 employees enrolled in the programme – five mentees (all women) and five mentors (four men and one woman).



Workplace culture plays an important role in retention rates and in ensuring that woman can progress to senior levels. We regularly issue staff wellbeing surveys, which provide useful insights into the issues that are important to our employees. Using the feedback received, our Employee Engagement Forum actively works on initiatives to help drive greater inclusivity and levels of engagement. The groups and networks that make up the LME's Diversity and Inclusion Forum also continue to drive forward each of the five key areas of focus within our diversity and inclusion strategy: 1) gender equality, 2) race and ethnicity, 3) LGBTQ+, 4) disability and mental health, and 5) social mobility. We continue to focus on activities that support the mental and physical wellbeing of all employees, including "Wellness Week" and our mental health first aiders programme, where employees are trained to provide confidential support to any colleagues in need. In 2022, we also launched a new "buddies" system to help employees transition back into working life following any extended period of absence, such as parental leave.

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		
	2020	2021	2022	2020	2021	2022
Mean	11.9%	13.8%	10.5%	8.0%	2.7%	2.5%
Median	23.8%	22.3%	17.5%	10.3%	3.6%	-11.1%

LME Group gender pay gap

	Pay gap			Bonus gap		
	2020	2021	2022	2020	2021	2022
Mean	15.5%	16.2%	14.6%	26.7%	25.3%	26.8%
Median	18.9%	16.7%	16.8%	9.5%	0.0%	-5.3%

LME proportion of men and women receiving a bonus

	2020	2021	2022
Women	83.6%	92.6%	85.9%
Men	78.3%	90.7%	86.1%

LME Group proportion of men and women receiving a bonus

	2020	2021	2022
Women	80.1%	92.1%	87.6%
Men	78.0%	90.3%	86.5%

The decrease in our gender pay gap reflects the work we are doing internally with regards to the attraction, promotion and development of women. As a small organisation we recognise that small changes to the number of women and men at all levels of the organisation can have an impact on our pay gap.

There was also a decrease in our gender bonus gap for the LME in 2022, which currently sits at 2.5%. The bonus gap is considerably larger for the LME Group (26.8%), which can be explained by the large proportion of men holding the most senior positions at LME Clear. There was a decrease in the proportion of men and women receiving a bonus across the organisation in 2022, which is due to a large number of new joiners in Q4 2021 and Q1 2022, who were not eligible for a bonus as their start date fell outside of the performance management cycle across 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

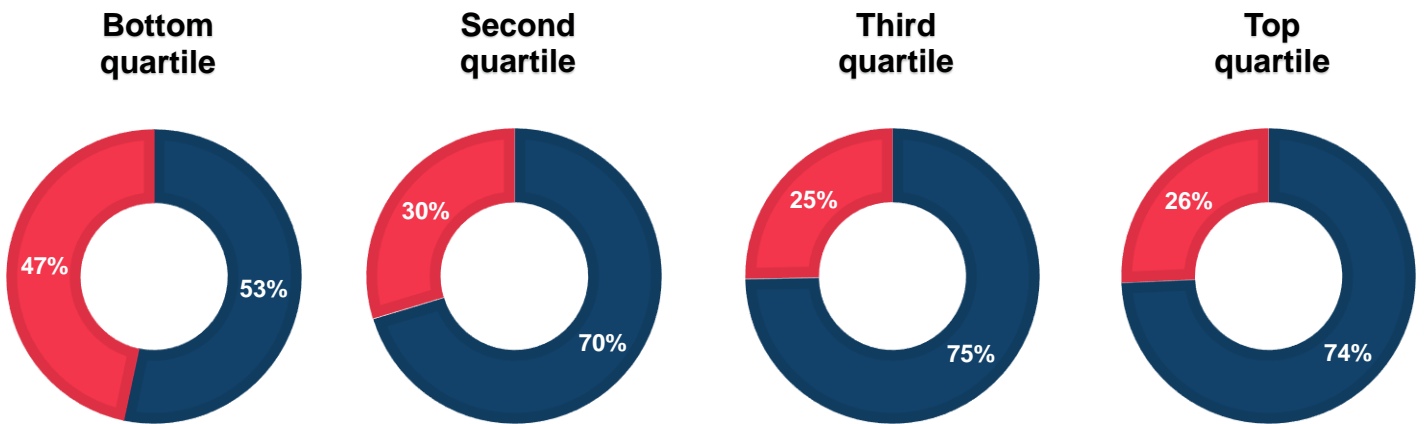


- more men than women in senior roles.

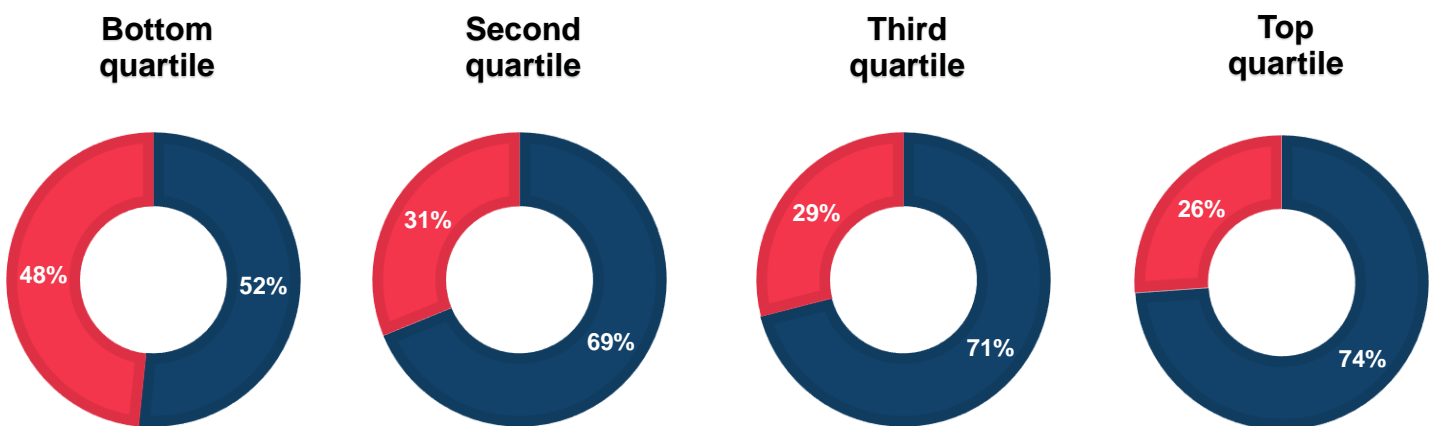
Proportion of men and women in each pay quartile

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



LME Group



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 2022 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?

There is a significant amount of evidence that shows diverse and inclusive workforces yield better results, and at the LME we are committed to fostering a diverse workplace culture, where our employees feel respected and supported. We will continue to push forward with our “drive”, “shift” and “tip” strategy over the next 12 months, in order to attract, retain and promote more female talent.

Attract: Hiring female talent remains a priority for us across the LME Group, and in 2022, 42% of all hires were women – an increase of 10.4% year-on-year. This was achieved in various ways, including improved recruitment methods such as broadening our source of candidates and mandating a gender-balanced set of interviewers for every hire. We will shortly be launching a new LME Careers page on our website, featuring interviews and videos from a diverse range of employees across the organisation – helping to provide a better understanding of the LME's inclusive culture, to prospective candidates.

Our apprenticeship programme has continued to build a strong and diverse junior talent pipeline across the organisation and we are committed to continuing this further in 2023.

Retain: Our second pillar of focus is on retaining female talent and helping women feel supported throughout their careers. During this year's celebration of International Women's Day, the LME Chair hosted a panel discussion, open to all staff, raising awareness of some of the challenges faced by women across our industry, in the hope of breaking down barriers and creating a more inclusive workforce. Our Learning and Development programmes will continue over the next 12 months, with online education platforms helping employees to gain new skills in different areas of interest.



Promote: Our focus also remains on promoting female talent across the organisation, and over the next 12 months we will continue working towards our Women in Finance Charter pledge of having 40% of senior management roles filled by women by 2025.

We confirm that the information reported is accurate.

Matthew Chamberlain, CEO – London Metal Exchange

James Cressy, Interim CEO – LME Clear

Sarah Burdett, Head of HR – LME Group