



LSEG

LSEG Gender Pay Gap Report 2021



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Our Group

Who we are

LSEG is a leading global financial markets infrastructure and data provider. We play a vital social and economic role in the world's financial system. With our trusted expertise and global scale, we enable the sustainable growth and stability of our customers and their communities.

We are leaders in data and analytics, capital formation and trade execution, and clearing and risk management.

Our purpose

Driving financial stability, empowering economies and enabling customers to create sustainable growth.

Our vision

We are a leading global financial markets infrastructure and data provider. We want to shape the future of our industry to serve our customers and markets better.

Where we operate

LSEG is headquartered in the United Kingdom, with operations in 70 countries across EMEA, North America, Latin America and Asia Pacific. We employ 23,000 people globally, more than half of whom are located in Asia Pacific.





David Schwimmer

Chief Executive Officer
London Stock Exchange Group

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Message from our Chief Executive Officer

Creating an inclusive environment in any workplace takes commitment, leadership, action and clear priorities against which to measure progress. Our workplace changed beyond recognition in 2021 as we welcomed over 18,000 new colleagues to LSEG.

Building a culture where everyone feels they belong

During the year, we also expanded our commitment to building a culture which embraces diversity of every kind and fosters belonging for everyone.

Our Diversity & Inclusion (D&I) strategy has four priorities:

- Creating a culture that fosters belonging
- Building a diverse leadership team
- Accelerating the progression of underrepresented talent
- Shaping inclusion across our industry.

The opportunity LSEG has to effect change, within our business and across our industry, is greater now than it has ever been.

Our acquisition of Refinitiv created a business which, unlike any other, occupies a unique and growing role at the centre of the financial markets.

We also have an important role as standard bearer for corporate governance in the market,

which is reflected in the priorities we have identified and the rigour with which we hold ourselves to account.

Data is an important part of how we manage this equation, giving us insight from which we can identify the most meaningful changes to make and, just as important, a yardstick against which we can measure our progress. Catherine Johnson, our Group General Counsel and the Executive Committee Sponsor for D&I, provides an update on page 6.

Gender Pay Gap

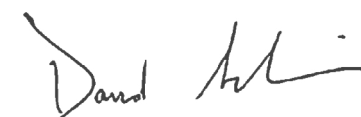
This report meets our statutory duty to disclose the gender pay gap among LSEG's employees in the UK. While the UK represents a sizeable proportion of our global workforce (around 18%), it by no means gives you the full picture. We are also voluntarily providing an initial view of the gender pay gap in 21 further countries which, together with the UK, covers almost 96% of our employees.

Gender and ethnicity do not affect how people are paid at LSEG; the pay gaps we report reflect

the representation of different groups within our workforce and inform the action we need to take. We aim to report on ethnicity pay in Q4 of 2022.

Fundamental to the change we are driving is, of course, our people, over 23,000 across the world, who bring openness, support and unwavering commitment to the culture we are building.

Together, we are creating an inclusive environment for everyone – and everyone at LSEG recognises they have a role to play.



David Schwimmer (He/Him)

Chief Executive Officer
London Stock Exchange Group



Catherine Johnson

Group General Counsel and
Executive Committee Sponsor for D&I
London Stock Exchange Group

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Message from our Executive Committee Sponsor for D&I

While the focus of this report is the UK gender pay gap, the underlying issue it highlights is that certain groups are still under-represented in the workplace. We also recognise that representation affects how different groups identify themselves at work. We want everyone who works at LSEG to see themselves represented in an open, inclusive culture and, ultimately, to feel that they belong here.

We are making good progress across LSEG:

- On the way to achieving our target of 40% women in senior leadership roles by end of 2022
- Changing our hiring practices to proactively seek out and recruit diverse talent
- Setting targets and commitments around race and ethnicity
- Appointing executive sponsors to champion and grow each of our employee inclusion networks.

Looking specifically at gender, we are focused on increasing the number of women in senior leadership roles. We are expanding the population measured by a gender target to the next level of leadership, which we will launch in 2022.

This level, which we define as our Group Directors, comprises around 500 people across LSEG.

We have also taken proactive steps to identify, develop and grow our pipeline of emerging talent, which includes women who already work at LSEG and prospective new joiners.

The launch of targeted initiatives such as the LSEG Returner Programme, which we are piloting with Women Returners, is also addressing the gender gap at the middle management level and above, helping us to build a sustainable pipeline of diverse talent.

Professionals returning to the workforce after an extended career break – many of whom are women – bring a diverse mix of skills which are valued at LSEG.

Being open is fundamental to what we stand for at LSEG. Every day, I see the willingness of our people to learn, to understand another perspective and, ultimately, to drive positive change.

Although we have much more to do, I am proud of the progress we are making towards building an inclusive culture where everyone feels they belong.



Catherine Johnson (She/Her)

Group General Counsel and
Executive Committee Sponsor for D&I
London Stock Exchange Group

What is the gender pay gap?

The gender pay gap shows the difference in the average pay between all men and women in a workforce, irrespective of their role and level in the organisation. It is not the same as equal pay.

Equal pay examines the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.

In many of the markets we operate in, including the UK, it is unlawful to pay people unequally because of their gender.

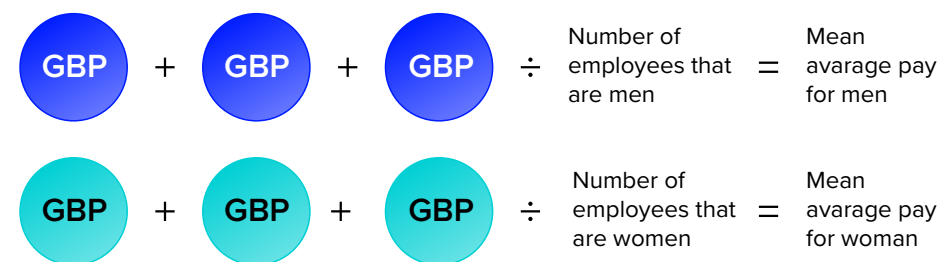
Holding ourselves to account through regular and transparent reporting

At LSEG, we understand our success depends on our people, and creating a diverse and inclusive organisation is fundamental to the way we deliver on our promise – and our purpose. To hold ourselves accountable, we have shared a clear D&I strategy across the business and with our stakeholders highlighting the targets we strive to achieve. To monitor our progress towards these targets, we conduct detailed D&I reporting, and performance in contributory areas including representation at all levels and across functions, talent pipelines, performance ratings distribution and attrition. We also track gender proportionality when we make headcount reduction decisions.

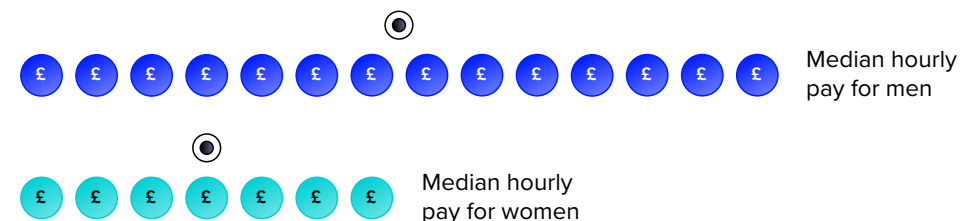
We report on mean and median pay gaps. The mean is the total of all hourly rates divided by the number of people.



The median is the midpoint of all hourly rates when placed in order from the lowest to the highest. This is the best representation of the ‘typical’ gender difference because it reduces the impact of extreme values, so if one or two people are paid much more or less than the norm, the impact of these is lessened by taking the median value, rather than the mean.

How we measure the mean gap



How we measure the median gap




 The median gap is the percentage difference between the two figures
 

■ Male ■ Female £ = GBP



We're making progress

In the UK for 2021, there was a reduction in our median and mean salary pay gap compared to 2020. We have provided a single median pay gap figure for 96% of our global population, as many global organisations have done.

This figure is calculated by taking the average of the median pay gap of each country, weighted by headcount. We are aware of the limitations of this methodology due to the different gender profiles in each country.

While gender pay gaps are a reflection of a number of factors, they are primarily driven by fewer females than males in senior roles in each country.

We understand that a blended global figure will not give a representative picture of the underlying drivers behind the pay gap and in the coming year, we are committed to understanding the driver behind our country pay gaps.



Our commitment is to accelerate the pace of change across our global business by prioritising initiatives to increase female representation, particularly in senior leadership. We are committed to building female talent and succession pipelines across all career levels. We are confident this focus will positively impact our future gender pay reporting.

Global median salary pay gap

17%

*Calculations are based on 96% of our global population

Percentage of employees by gender (global)



■ Male ■ Female

Colleague numbers as of April 2021
1% undisclosed

Global gender snapshot

LSEG Plc Board



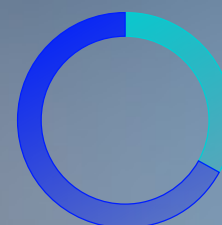
■ Male
■ Female

Executive Committee



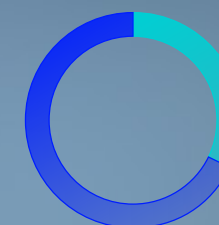
■ Male
■ Female

Senior Leadership



■ Male
■ Female

Manager and Senior Professionals*



■ Male
■ Female

Data as of Dec 2021

*Colleague aligned to the Manager, Director and Group Director career stages

Median Salary Pay Gap (UK)

▼ 15%

(from 17% in 2020)

Percentage of employees by gender (UK)



■ Male ■ Female

Colleague numbers as of April 2021
1% undisclosed

Mean Salary Pay Gap (UK)

▼ 13%

(from 15% in 2020)

UK statutory disclosures

The table shows LSEG’s and Refinitiv’s UK statutory disclosures for our four legal entities covered by the regulation for the reporting period 6 April 2020 to 5 April 2021: LSEG Employment Services Limited (LSEG ESL), London Stock Exchange plc (LSE plc), LCH Limited (LCH Ltd) and Refinitiv Limited. Variable pay includes Long Term Incentive Plan (LTIP) awards, which are used to align senior leadership roles to long-term goals and strategic growth of LSEG.

LSEG ESL	Mean	Median	LSE plc	Mean	Median	LCH Limited	Mean	Median	Refinitiv Limited	Mean	Median
Hourly pay gap	14%	8%	Hourly pay gap	19%	7%	Hourly pay gap	22%	15%	Hourly pay gap	9%	13%
Variable pay gap	37%	1%	Variable pay gap	43%	12%	Variable pay gap	41%	38%	Variable pay gap	14%	19%
	Male	Female		Male	Female		Male	Female		Male	Female
% receiving variable pay	80%	83%	% receiving variable pay	89%	92%	% receiving variable pay	87%	89%	% receiving variable pay	93%	93%
% in each pay quartile	Male	Female	% in each pay quartile	Male	Female	% in each pay quartile	Male	Female	% in each pay quartile	Male	Female
Q4	79%	21%	Q4	66%	34%	Q4	80%	20%	Q4	73%	27%
Q3	75%	25%	Q3	59%	41%	Q3	86%	14%	Q3	71%	29%
Q2	75%	25%	Q2	56%	44%	Q2	78%	22%	Q2	65%	35%
Q1	59%	41%	Q1	54%	46%	Q1	64%	36%	Q1	54%	46%
	Male	Female		Male	Female		Male	Female		Male	Female
Headcount	502	195	Headcount	290	204	Headcount	397	119	Headcount	1407	756
	697			494			516			2163	

Methodology

Hourly pay gap:

- As per the regulation, the reported figures are based on the snapshot date of 5 April. As such, any awards received outside of the month of April, including bonus and Long Term Incentive Plan (LTIP) awards, must be excluded from the statutory hourly pay gap figure.

Variable pay gap:

- Our statutory disclosures are based on the government gender pay gap regulation and accompanying ACAS guidelines.
- However, it should be noted that there are aspects of the methodology that do not align to our business practice. Notably, the regulations exclude employees who received a zero bonus from the variable pay gap calculation; and only include pay received in April in the hourly pay gap calculation, which omits a large number of compensation awards, including annual bonuses, which LSEG pays in March.
- Furthermore, the statutory calculations are based on pay received which, in the case of LTIP awards, relates to historical management decisions made at least three years prior.



Explaining the gaps

The gender pay gaps are due to several factors, the key ones being that we have more men than women in senior, as well as technical and client-facing roles. In the UK, mean pay gap is at 13% which is a reduction from 15% recorded in 2020 while the median pay gap is at 15%, an improvement from 17% reported in 2020.

This reduction can be partly attributed to continued focus to encourage and provide opportunities for women to take on senior leadership roles during the year with 33% of the roles being held by women.

We are committed to understanding the drivers behind our pay gaps in all locations where we have significant presence. In many countries, such as in [India](#), the pay difference within each career level is small.

However, the overall pay gap is quite large – the mean pay gap is 28%, with a median pay gap of 27% largely due to having senior roles comprising 78% men and 22% women in [India](#).

In [Sri Lanka](#), the pay difference at each career level is high and this contributes to an overall higher gender pay gap – a mean pay gap of 34%, with a median pay gap of 37% where 89% of the senior leadership is male.

Our approach for gender parity and creating a culture of equity is to drive an evidence-based approach in the way we embed and sustain inclusion. We focus on leadership behaviours as well as integrating inclusion best practice in everything that we do.





Prioritising D&I

Ownership and accountability towards commitment to improve the Group's diversity and foster an inclusive environment for all our people sits with everyone.

Our Chief Executive Officer and Executive Committee (ExCo) members have continued to make positive strides in having visible roles to reinforce the importance of an inclusive culture to our business and holding leaders accountable for making progress. The launch and application of our performance enablement approach linked to pay and reward is one such example. We recently established the LSEG D&I Working Group comprising senior leadership nominated by ExCo members as the accountable leaders to deliver D&I change in each part of the business.

We are implementing the LSEG Inclusive Leadership Programme (ILP) across our businesses. These sessions will equip leaders to understand any misalignment between their good intent and actual impact, what they can do every day to lead with more inclusivity, and how they create development opportunities, every day, for all our people, not only those with whom we share strong positive affinities. This approach shifts us away from 'fixing' groups that are under-represented in senior leadership, to 'fixing' the impact of the decisions that we make every day.

Holding ourselves to account

We use targets as one of our levers for change:
Senior Leadership, comprising ExCo and Group Leaders:

- **Gender** – 40% women in senior leadership by end of 2022
- **Ethnicity** – 25% people from ethnic minorities by end of 2025

We are now designing gender and ethnicity targets for the next level of leadership – Group Director level – to strengthen pipelines into senior leadership and build talent pipelines further across the organisation.

Talent Development and Performance Enablement

We embed principles of proportionality throughout our Talent Development and Performance Enablement processes, with regular reporting on gender impact analysis. We train and equip our people leaders and HRBPs to spot and challenge bias.

Talent Acquisition

We equip leadership to embed best practice and track progress in Talent Acquisition. We insist on diverse slates and utilize diverse and structured interview panels. Our search firms are contractually required to provide robust, diverse slates and we track their performance. There is open and transparent posting of all roles, and we continue to strengthen our efforts to proactively build diverse external pipelines.

Location strategy

We have initiated work to understand how we leverage our location strategy to disperse leadership roles across our global business not only to build local expertise but pipelines into leadership roles as well.

LSEG Inclusion Networks

Our LSEG Women Inspired Network (LSEG WIN) helps us build momentum internally and also connects to similar networks in the market which helps to improve our brand recognition with female talent.

Employee Listening

During 2021, we focused on developing a strong foundation for listening and launched engagement surveys to understand our people's sentiment on diverse topics including our integration journey, our culture and our plans for the future. We will continue to build on these foundations of listening and measure the progress we are making to create a culture of connecting, creating opportunity and delivering excellence. Taking action on the insights will strengthen engagement and drive performance and retention across the business.

Building our brand in the market

We continue to strengthen our work with key strategic partners in the market to influence inclusion in our sector, expand the impact of our work beyond LSEG, and exchange ideas and best practice. We ensure global presence by partnering with organisations such as HM Treasury Women in Finance Charter and Women in Banking and Finance (UK), Community Business (Asia), The Wall Street Women's Alliance (US).

Impactful communications strategy

We continue to evolve our internal and external messages to create awareness about what we stand for as a business, including our commitment to gender equity, and in the market to help build our attractiveness with key talent.

Our 2022 priorities

Creating behavioural change takes time, leadership commitment, meaningful integration of inclusion best practice into everything that we do, and a learning approach that allow us to evolve what we do based on evidence.

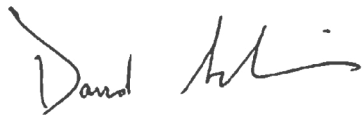
We will continue to build on the work we are doing, paying attention to:

- Expanding our targets for women in senior roles to Group Director level
- Strengthening the D&I Working Group to deliver the D&I strategy
- Continuing to equip leaders to lead more inclusively every day
- Embedding inclusion best practice more deeply and more widely
- Strengthening our D&I reporting and accountability for D&I progress

We believe that with continued effort and meaningful progress tracking, we will reach our goal.

Declaration

I confirm that the data and information presented in this report are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**David Schwimmer**

Chief Executive Officer
London Stock Exchange Group

LSEG is more than a diversified global financial markets infrastructure and data business.

We are dedicated partners to our customers, with an open model and commitment to excellence. With extensive experience, deep knowledge and global presence across financial markets, we enable businesses and economies around the world to fund innovation, manage risk and create jobs. It's how we've contributed to supporting the financial stability and growth of communities and economies globally for more than 300 years.

Discover more at lseg.com



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