

CMC Markets plc

2018 Gender pay gap report

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CMC continues to be committed to reducing its gender pay gap by promoting fairness, equality and inclusion.

The gender pay gap measures the difference between men and women's average earnings and is expressed as a percentage of men's pay. According to the Office of National Statistics, the overall UK gender pay gap is currently 17.9%.

The causes of a gender pay gap can be a complex and shifting mix of factors, but by monitoring the pay gap between men and women we can better understand the gap and so target appropriate actions to reduce it. The UK government introduced a requirement on all employers to first publish their gender pay gap by April 2018, and to continue doing so on an annual basis. The rules require employers to identify differences in average earnings between men and women across the entire workforce regardless of job role. The calculations below align to these requirements and relate to our pay data as at April 2018 (and where indicated the period leading up to that).

Pay

Mean and median pay

	Mean	Median
Hourly fixed pay	25.9%	24.5%

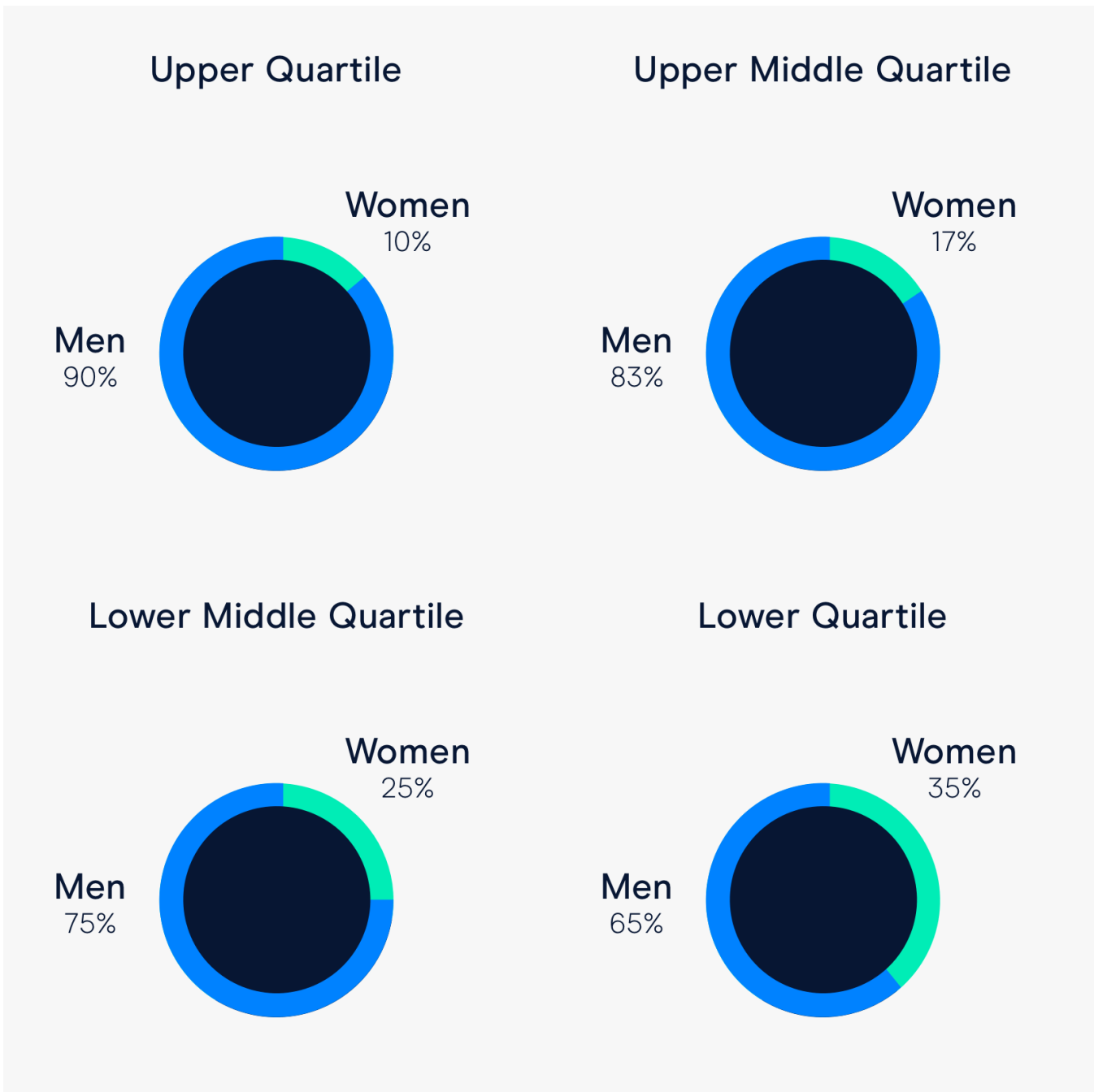
The table above shows the overall mean and median gender pay gap based on hourly rates of pay as at the snapshot date (i.e. 5 April 2018).

The pay gap is just above the UK national average but remains below the average for the Financial Services sector. The two main reasons behind the gap at CMC and in the Financial Sector are attributed to:

- the lower representation of women in more senior positions, as the Company ensures that people are paid fairly for the role that they are undertaking; and
- the fact that it is difficult to attract women in more technical roles which generally drive higher compensation.

Pay quartiles

The lower representation of women in more senior positions is demonstrated in the charts below, which ranks all CMC employees from lowest to highest and then divides them into four equally sized groups each containing 76 or 77 employees, with the first group (Upper Quartile) as the highest paid group. The chart shows the percentage of men and women in each group.



Bonus pay

Every employee is eligible to contribute to CMC’s success and discretionary bonuses are awarded fairly, based on company performance and individual performance.

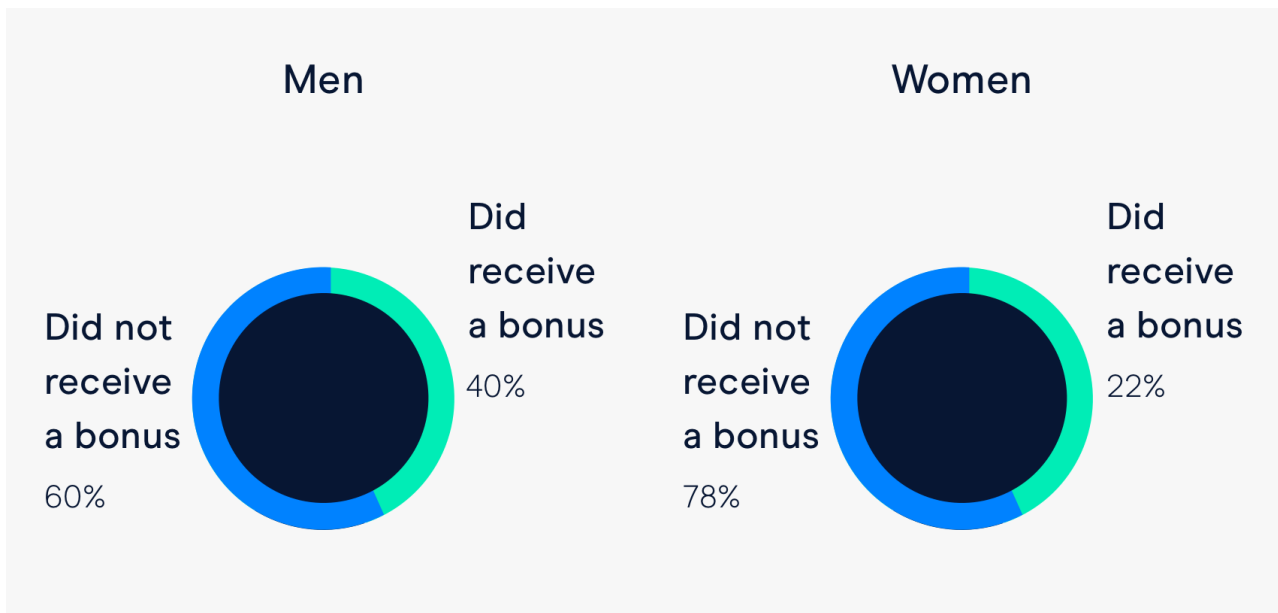
The table below captures the mean and median difference between the bonus paid to men and women at CMC in the year up to 5 April 2018. This covers all bonus payments, which have been received during that time, and also includes certain amounts received in connection with share awards from the admission of the Company to the London Stock Exchange in 2016.

	Mean	Median
Bonus pay gap	81%	63%

The Company recognises that the bonus pay gap identified above is high. The Company ensures that bonus awards are fair and appropriate, and they are not connected to gender. The key reasons for the differential are:

1. There are far more men than women in senior roles, and they are eligible for, and receive, higher bonuses. This contributes to the bonus pay gap.
2. As explained above, these figures include amounts received in connection with shares awarded as part of the Company’s admission process. Far more men than women received these awards, as a result of more men than women being in senior roles. This has exaggerated the bonus pay gap.
3. The Company employs more men in sales and trading roles, which typically attract higher bonus opportunities.

In addition, the charts below show the proportion of men and women awarded a bonus for the 2016/2017 financial year (a point of note is that there is a much higher percentage of both men and women who did not receive a bonus, compared to the 2015/2016 financial year. This adversely impacts the Mean percentage detailed above). One of the reasons for this discrepancy can be explained by the fact that there were proportionally more female new joiners who were not eligible for a bonus.



Taking action

Since the introduction of the Gender Pay Gap Report in April 2018, CMC Markets has increased its' commitment to remain a place open to all candidates regardless of race, ethnicity, gender, age, disability, religion or belief, sexual orientation, marital status, gender reassignment and maternity. The Company recognises that there is still a considerable journey to reduce the gender pay gap across the business and as a result, has embarked on a programme to improve gender balance in the future.

The Company has worked to improve on the results from the 2017 report, and while it is acknowledged that further and continued improvement is required, the gender pay gap remains below the Financial Services Sector average. The Company also remains of the belief that to reduce the current pay gap, it needs to increase the representation of women in senior positions. The Company has been and is still developing specific actions, with the aim being to achieve this increase in representation. Increasing the representation of women is seen as both a short-term and long-term objective for the Company, given that senior positions are inevitably less frequently available.

To galvanise change, the Company has focussed on 3 key areas, since the 2017 Gender Pay Gap Report was published, in order to engage and develop our key talents:

Recruitment

- The Company stated its' commitment to increase gender diversity, starting with targeting the hiring and promotion of women at more senior levels, where it is appropriate to do so.
- Two out of the three most recently appointed non-executive directors were female, resulting in women now accounting for 28.6% of the Board.
- Equally, our most recent promotion of the best candidate to the Executive Committee team, the most senior team under Board level, was also a woman. The Company has also maintained female employees in senior level roles in Legal, Marketing, Compliance and our MLRO;
- The Company maintains its' belief that it is important to have a pool of the best candidates from all backgrounds and at all levels to apply for vacant roles:
 - To eliminate bias in all aspects and to support inclusion, the Company conducted a programme of 'Unconscious Bias' training for all employees at all levels, with the first session being run with the Executive Committee, with the aim of helping each employee to identify aspects that forge their decision.
 - The Company has continued to ensure that all adverts and job descriptions are gender neutral.
 - The Company recognises that it is difficult to recruit women in some areas of the business, such as Technology or Trading. While recruitment will continue to be based on skills, experience, capability and fit for the role, wherever possible and appropriate, the business now targets an increase in the shortlist of female candidates for all management and professional positions. Details of all candidates who apply, are short-listed and offered any vacant roles are recorded and documented.

Development

- The Company has set up a Diversity & Inclusion group under the leadership of two executives: Oliver Basi, General Counsel and Dave Worsfold, Group Head of Operations. This group remains in place and continues to be an important aspect of the Company's commitment to diversity and inclusion. The Company continues to embark on a journey which includes the following key initiative:
- CMC partnership with Everywoman, the world's largest network for women in business, provides an important learning and development platform available to all women in the business.

Flexibility

- The Company has reviewed its' flexible working policy, to look to ensure that it meets the needs of colleagues and customers.
- The Company is committed to continually review its' flexible working options, as it becomes more prevalent in today's working environment and also to ensure the needs of colleagues are met and we are able to recruit from a diverse and inclusive candidate pool. Further flexible working options are being reviewed at present.
- The Company is currently reviewing the entire maternity/paternity process, with the aim of improving its' offering. Over the past 12 months, improvements have been made, with the introduction of early discussions with employees (as soon as notification is received) to ensure all options and entitlements are clear and documented for every employee, at the earliest possible stage. The focus for the next 12 months will be to continue to improve the process for the return of those who have been on maternity or paternity leave. Employees who go onto maternity leave currently receive an enhanced offering, with additional benefits for those who return to work.

The Company is proposing to continue to focus on these three key areas for the next 12 months, with the aim of remaining a place open to all candidates and an employer of choice, through meeting the needs of both colleagues and customers. The Company hopes to see continued change, leading to improvements across the board, during this time.