

LUXFER HOLDINGS PLC

UK Gender Pay Gap Report
for Fiscal Year 2020



UK GENDER PAY GAP REPORT FOR FISCAL YEAR 2020

The UK Equalities Act of 2017 (the “Act”) requires organizations of 250 employees or more conducting business in the United Kingdom to publish an annual statement regarding the pay differences between men and women. Under the Act, organizations must provide a breakdown of men and women in different pay quartiles and detail the proportion of men and women in the company who receive bonuses.

WHAT IS THE GENDER PAY GAP?

The Equal Pay Act of 1970 made it illegal to pay men and women different amounts to perform the same work, however, the gender pay gap is not the same as equal pay. While equal pay and gender pay do overlap, the gender pay gap shows the difference between the average pay of a company’s male and female employees, regardless of the type of work they do. The reported figures also detail the bonus pay gap and the proportion of men and women in each quartile of the pay structure of the company. Luxfer Holdings PLC recognizes that collecting and reporting this data helps us realize our own gender pay gap. By knowing where we stand, we know where we need to be.

ABOUT US

Luxfer Holdings PLC (the “Company”) is a global producer of highly-engineered industrial materials, specializing in the design and manufacture of high-performance products for transportation, defense and emergency response, healthcare, and general industrial applications. The Company’s principal executive office is located in Manchester and our manufacturing operations take place in various locations throughout the UK. As of the snapshot date of 5 April 2020, we employ 646 people in the UK. Therefore, we fall within the scope for reporting under the Act.

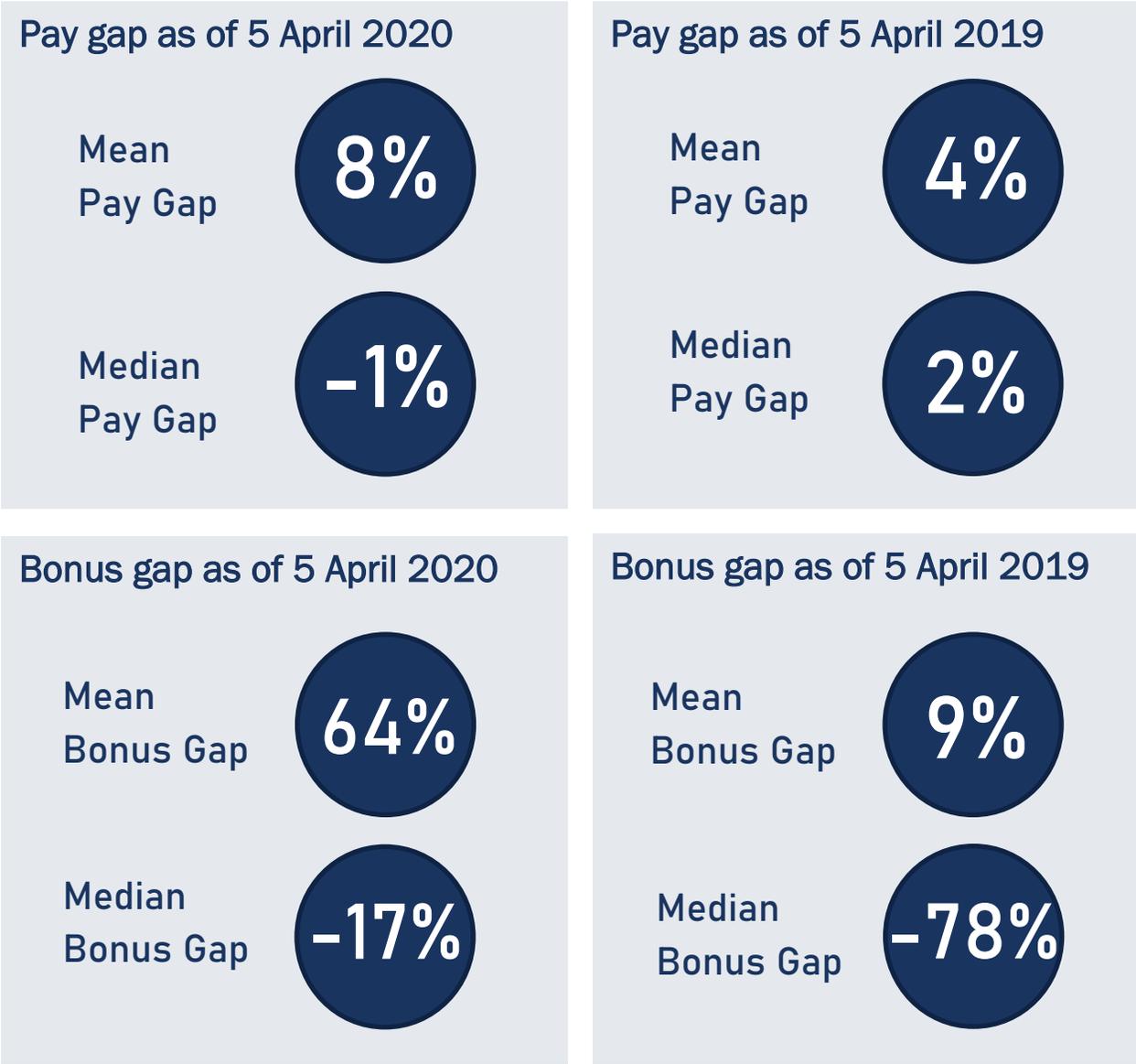
This Report and the separate Gender Pay Gap Reports for Luxfer Gas Cylinders Limited and Magnesium Elektron Limited can be found on our website at www.luxfer.com or can be found by clicking [here](#).

THE IMPACT OF COVID-19 ON REPORTING FIGURES

The COVID-19 pandemic had a significant impact on our gender pay gap data in 2020. The snapshot date of 5 April 2020 came just after the first national lockdown was mandated, and most of our facilities were operating at a reduced capacity at the time. While we allowed for remote work wherever possible, involuntary furloughs and reduced working hours were implemented across many of our facilities. As such, the reported figures should be read with the COVID-19 pandemic in mind and the ways in which the lockdowns significantly skewed our gender pay gap data.

Pursuant to the reporting standards as defined by the Act, only full-pay relevant employees shall be included in the reporting pool. This means that any employee who did not receive 100% of their regular pay should be excluded from the data set. In the absence of any revised guidance from the UK Government Equalities Office or the Equality and Human Rights Commission, our 2020 Report follows this requirement. However, by excluding employees who were furloughed or had their hours reduced, the total number of employees in the reporting pool was significantly decreased. As of the snapshot date, a total of 240 employees were furloughed or laid off and were not included in the reporting pool. Of those, 90% were men and 10% were women. We believe this to be the primary cause of the substantial differences between our pay and bonus gap figures for 2020 and 2019. The results for 2020 may show an increase or a decrease in the gender pay and bonus gap that is not necessarily representative of our businesses if they were operating under normal circumstances as of the snapshot date. Nonetheless, we believe in the importance of gender pay gap reporting to facilitate transparency and to ensure that we remain in compliance with the law.

PAY AND BONUS GAP



The figures above detail the overall mean and median gender pay gap based on hourly rate of pay as at the snapshot date. It also captures the mean and median difference between bonuses paid to men and women in the year up to 5 April 2020. Cash bonuses relate to the 2019 performance year, while bonuses in the form of share option awards relate to performance in previous years. For purposes of this Report, bonuses are calculated as of the date the employee incurs income tax charges, which, in the case of share option awards, occurs as of the date the employee exercises their options. Bonuses received were included in the calculation of hourly pay as of the snapshot date.

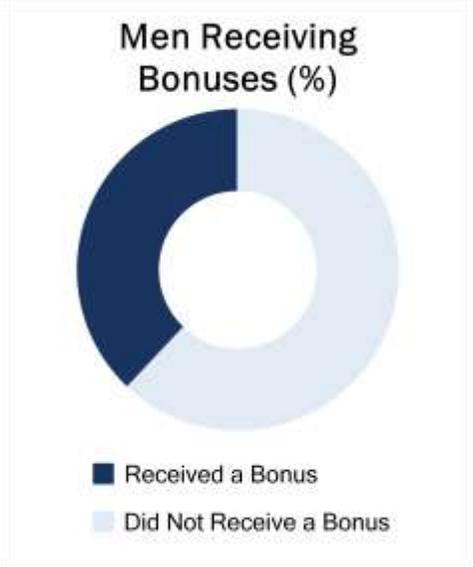
These figures should be read in light of the COVID-19 pandemic, which resulted in a significant decrease in the overall reporting pool for 2020. Employees who were involuntarily furloughed or had their hours reduced did not receive their typical full pay and therefore were excluded from the data set, pursuant to the regulations. In addition to the decreased reporting pool, there were several other COVID-related conditions which skewed our data, particularly with respect to the bonus pay gaps, including the following:

- About half as many men received bonuses in 2020 as in 2019.
- More men received a small bonus in 2019 but received no bonus at all in 2020.
- The largest bonus awarded in 2020 was higher than the largest bonus awarded in 2019.
- 3 large outlier bonuses were awarded in 2020 versus 2 large outlier bonuses in 2019.

PROPORTION OF BONUSES PAID



57% of full-pay relevant women received a bonus.

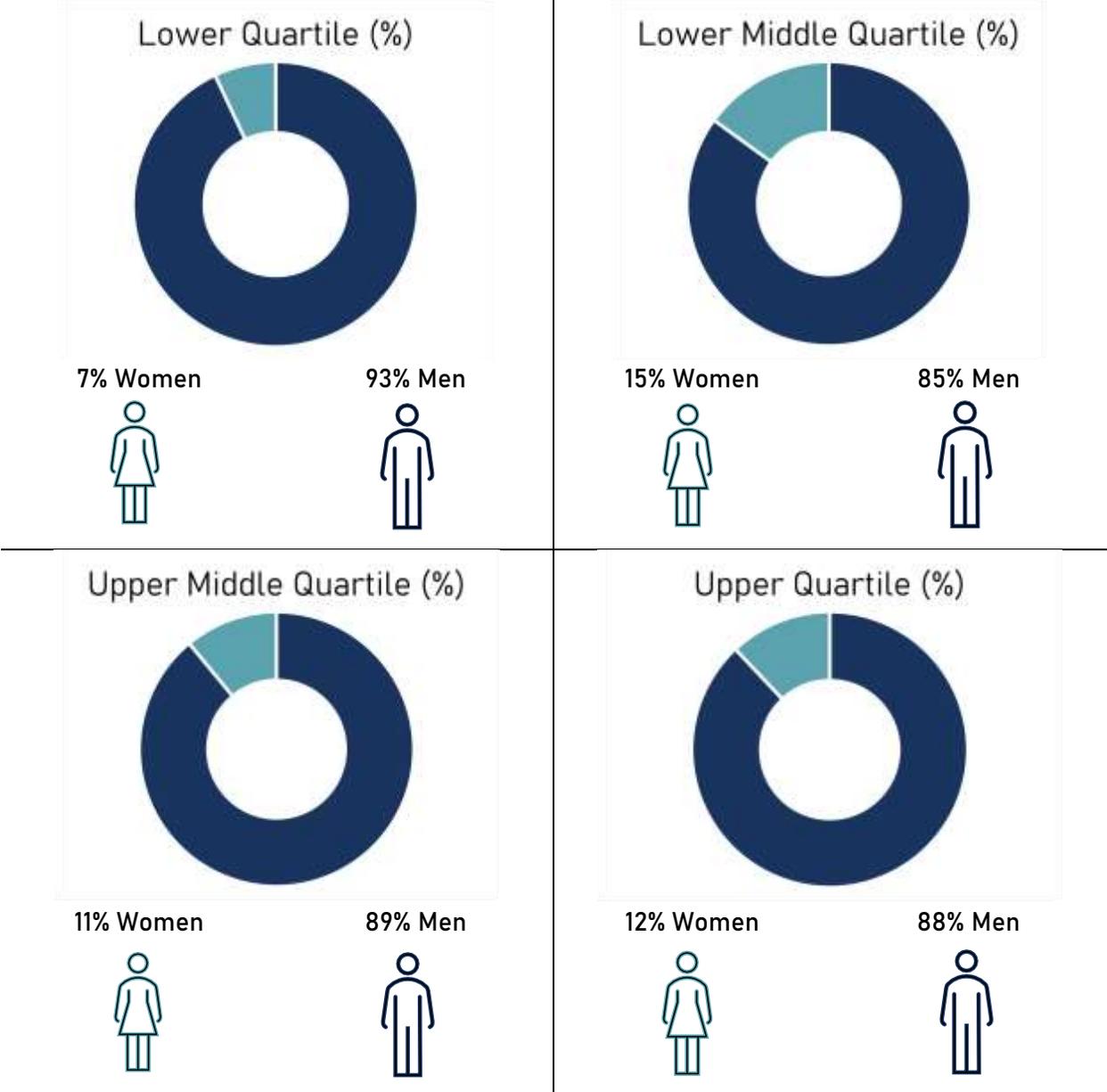


38% of full-pay relevant men received a bonus.

The figures above show the proportions of full-pay relevant male and female employees who were paid a bonus for their performance in 2020 (or previous years in the case of share awards). On its face, these figures show that a higher proportion of women versus men received a bonus. However, we must interpret these figures in light of the conditions resulting from the COVID-19 pandemic. In 2020, out of 75 total females, 44 received bonuses. Out of a total of 571 males, only 218 received bonuses. If 2020 were a typical year, the proportion of men receiving bonuses would likely be greater. Because of the smaller reporting pool and the fact that less men received bonuses in 2020, the proportion of women who receive bonuses appears to be higher.

PAY QUARTILES

The below charts illustrate the proportion of male and female full-pay relevant employees in the lower, lower middle, upper middle, and upper quartile pay bands, each containing approximately 164 employees.



CONCLUSION

At Luxfer Holdings PLC, we recognize the value in diversity as a key differentiator and that our strength is in our employees. We are committed to fostering an inclusive, honest, and globally diverse work environment. Entrenched in long-standing policies of Luxfer, we promote workforce diversity and employee education and development. Through our policies and practices, we continue to develop a world-class team and constantly strive to create an environment where differences are valued, supported, and encouraged.

In 2020, Luxfer worked hard to adjust to the COVID-19 pandemic. We continue to recalibrate our operations to allow for additional safeguards, including reconfiguring our factories and permitting remote work wherever possible to ensure the health and safety of our colleagues and their families. We look forward to obtaining a clearer picture of our gender pay gap in the 2021 reporting year and refocusing on our diversity efforts as the world begins to recover.

APPROVAL

This statement under the UK Equalities Act of 2017 has been approved by the Board of Directors for Luxfer Holdings PLC for the fiscal year ended 31 December 2020.



Alok Maskara
Chief Executive Officer
Luxfer Holdings PLC

3 March 2021