



LUXFER

LUXFER HOLDINGS PLC
U.K. GENDER PAY GAP REPORT

Fiscal Year 2021

U.K. GENDER PAY GAP REPORT FOR FISCAL YEAR 2021

The U.K. Equalities Act of 2017 (the “Act”) requires certain organizations of 250 employees or more conducting business in the U.K. to publish an annual report 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 U.K. 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 show the bonus pay gap and the proportion of men and women in each quartile of the pay structure within 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 (“Luxfer” or the “Company”) is a global industrial company innovating niche applications in materials engineering. We specialize in the design and manufacture of high-performance products for transportation, defense and emergency response, healthcare, and general industrial applications. Using our broad array of proprietary technologies, we focus on value creation, customer satisfaction, and demanding applications where technical know-how and manufacturing expertise combine to deliver a superior product.

Luxfer is listed on the New York Stock Exchange and our ordinary shares are traded under the symbol LXFR. The Company’s principal executive office is located in Milwaukee, Wisconsin, U.S. We operate 10 manufacturing plants throughout the U.K., the U.S., Canada, and China, employing approximately 1,300 people globally. As of the snapshot date of 5 April 2021, we employed 586 people in the U.K. Therefore, we fall within the scope for reporting under the Act.

ABOUT THIS REPORT

The dataset used to calculate the gender pay gap figures in this Report is comprised of payroll data from our subsidiary operations located in the U.K., namely Luxfer Gas Cylinders Limited in Nottingham, U.K. and Magnesium Elektron Limited in Manchester, U.K. It also includes data from our corporate employees located in the U.K.

As separate legal entities, Luxfer Gas Cylinders Limited and Magnesium Elektron Limited are required to file annual gender pay gap reports separate from that of Luxfer Holdings PLC if they employ 250 or more people as of the snapshot date of 5 April 2021. Since inception of the Act in 2017, both subsidiaries have historically met the 250-employee threshold and have filed separate gender pay gap reports once annually as required by the Act.

In September 2021, Luxfer divested its Superform U.K. business, which included 127 Luxfer Gas Cylinders Limited employees. These employees have been included in the dataset, as they were considered employees of Luxfer Gas Cylinders Limited on the 5 April 2021 snapshot date. Accordingly, Luxfer Gas Cylinders Limited employed 340 people as of the snapshot date (2020: 380) and has filed a separate gender pay gap report for the 2021 reporting year. This report can be found on our website at <https://www.luxfer.com/environment-social-and-governance/social/>.

Magnesium Elektron Limited employed 232 people as of the 5 April 2021 snapshot date (2020: 250) and is not required to report separately under the Act for the 2021 reporting year.

Although only one of our U.K. subsidiaries is required to report separately from Luxfer Holdings PLC for the 2021 reporting year, we believe it is a useful discipline to calculate and report on the size of each subsidiary's gender pay gap for consistency and transparency purposes. Data from both entities, as well as data related to corporate employees located in the U.K., are included in this Report, which covers 100% of our U.K. operations as of the 5 April 2021 snapshot date.

Number of Employees			
		2021	2020
Luxfer Gas Cylinders Limited	Female	24	29
	Male	316	351
	Total	340	380
Magnesium Elektron Limited	Female	44	42
	Male	188	208
	Total	232	250
Luxfer Holdings PLC	Female	73	75
	Male	513	571
	Total	586	646

HOURLY PAY GAP

What is it? The difference between average hourly earnings received by men and women in April 2021, calculated in proportion to the average hourly earnings received by men and expressed as a percentage. ¹

5.5%

The mean hourly pay gap
2020: 8%

-1.6%

The median hourly pay gap
2020: -1%

Hourly Pay Gap Subsidiary Data			
		2021	2020
Luxfer Gas Cylinders Limited	Mean	3%	-9%
	Median	-9%	7%
Magnesium Elektron Limited	Mean	15%	10%
	Median	12%	8%

What does it mean? The median hourly pay gap is intended to give an indication of what the ‘typical’ situation is, while the mean hourly pay gap gives an overall indication of the size of our gender pay gap.

What changed? In 2021, our mean pay gap decreased, and our median pay gap increased slightly. We believe that the 5.5% mean pay gap exists due to a few very high earners in our dataset, all of whom were men. The presence of these outliers indicates that our mean hourly pay gap is skewed in favor of men. Compared to last year, The highest-earning man in 2021 earned less than the highest-earning man in 2020, which explains why our mean pay gap decreased in 2021.

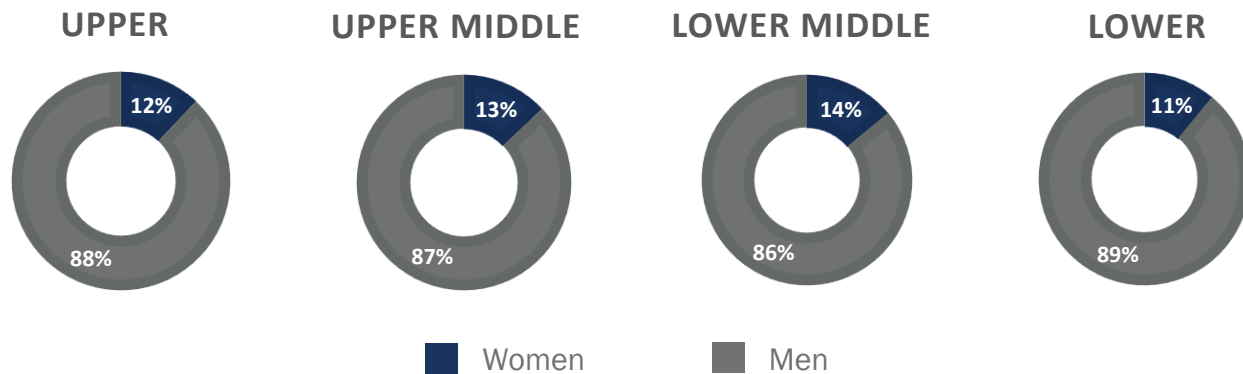
In general, the mean and median hourly pay gap figures for 2021 are not widely different from one another. As such, we can be reasonably certain that our employees, both male and female, are being paid roughly within the same income range.

¹ “Average hourly earnings” includes ordinary pay (salary or hourly wages), bonus pay, and any other relevant payments that were made in the pay period ending on the snapshot date. “Average hourly earnings” excludes overtime pay.

PAY QUARTLIES

What is it? All employees in the dataset are ranked from highest to lowest paid and divided into four equally sized quartiles. The percentage of women and men in each quartile are then calculated.

Percentage of Women in Each Pay Quartile



Pay Quartiles (% Women) Subsidiary Data

	Luxfer Gas Cylinders Limited	Magnesium Elektron Limited
Upper	6%	14%
Upper Middle	9%	14%
Lower Middle	6%	21%
Lower	7%	28%

What changed? Compared to 2020, the number of women in the upper, upper middle, lower middle, and lower quartile band has not changed substantially in 2021 (2020: 12%, 11%, 15%, 7% respectively), indicating that the demographic makeup of each quartile band is roughly the same as last year.

More important, however, is the fact that these figures show a relatively equal distribution of men and women across each quartile band (i.e., that women make up between 11-14% of the population in each quartile band), indicating that men and women are evenly distributed throughout the Company.

BONUS PAY GAP

What is it? The difference in average bonus earnings received by men and women during the 12-month period leading up to 5 April 2021, calculated in proportion to the average bonus earnings received by men and expressed as a percentage.

34.9%

The mean bonus gap
2020: 64%

-86.6%

The median bonus gap
2020: -17%

Bonus Pay Gap Subsidiary Data			
		2021	2020
Luxfer Gas Cylinders Limited	Mean	-137%	60%
	Median	-15%	60%
Magnesium Elektron Limited	Mean	42%	31%
	Median	26%	3%

What changed? The mean bonus gap decreased in 2021, while the median bonus gap increased substantially. We believe that the significant year-over-year change in both figures is explained by the impact of COVID-19 on our bonus pay scheme in 2020, during which only 40% of employees received bonuses compared to 79% in 2021. As with the mean hourly pay gap, the mean bonus pay gap was also skewed by the presence of a few very high bonus earners, the majority of whom were men. In 2021, however, the bonus outliers included 1 woman compared to none in 2020, thereby decreasing the mean bonus pay gap. The median bonus pay gap at -86.6% is explained by the fact that 77% of females worked in office, technical, and administrative roles, which tend to be higher paying and include a more substantial bonus component. As a result, the median bonus pay gap was significantly skewed in favor of women.

Cash bonuses relate to performance in the 2020 fiscal 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.

PROPORTION RECEIVING A BONUS

What is it? The proportion of men and women who received a bonus during the 12-month period leading up to 5 April 2021.

82.2%

The proportion of women receiving a bonus
2020: 57%

78.2%

The proportion of men receiving a bonus
2020: 38%

Proportion Receiving a Bonus Subsidiary Data

		2021	2020
Luxfer Gas Cylinders Limited	Female	71%	3%
	Male	67%	1%
Magnesium Elektron Limited	Female	89%	95%
	Male	97%	98%

What does it mean? Comparing the proportion of men and women who received a bonus within the 12-month bonus period tells us how much more likely male full-pay relevant employees are to receive any amount of bonus payment compared to female full-pay relevant employees, and vice versa.

What changed? Luxfer has a complex bonus pay scheme, which includes variable incentive pay associated with individual performance and the performance of the Company as a whole, including both short-term incentive pay, and long-term equity awards. As explained above, the COVID-19 pandemic had a substantial impact on our bonus scheme in 2020, resulting in a substantial increase in the number of people, both men and women, who received bonuses in 2021 (2021: 79% and 2020: 40%). Bonuses were given to a larger number of both men and women in 2021, as the Company began to recover from the COVID-19 pandemic.

OUR COMMITMENT TO IMPROVING OUR GENDER PAY GAP

Entrenched in longstanding policies of Luxfer, we work to promote workforce diversity, support employee growth and development, and create and maintain an inclusive work environment. We know that there is work left to do and that significant change takes time. We are committed to enhancing the policies and practices already in place to improve the representation of women at all levels of the Company, and we hold ourselves accountable for driving that progress.

Hiring a Diverse Workforce

In accordance with our [Equal Opportunity, Non-Discrimination, and Anti-Harassment Policy](#), we've implemented inclusive hiring standards, such as (i) advertising vacancies to a diverse section of the labor market; (ii) asking job candidates experience-related questions and avoiding questions that may suggest an intention to discriminate; (iii) using a number of individuals to complete shortlisting; and (iv) using inclusive language in advertisements, so as to encourage a diverse slate of candidates to apply.

Growth and Talent Development

We believe in each employee's ability to bring their unique skills and passions into the challenging and constantly evolving industries we serve by providing an environment to grow, build relationships, and take advantage of career opportunities. All employees are provided training, learning, development, and advancement opportunities at all levels of the Company.

Ongoing Training

To ensure effective teamwork and achievement of common business goals, all Luxfer personnel are required to complete a variety of anti-harassment, non-discrimination, and unconscious bias trainings annually. Luxfer's talent acquisition team and hiring managers undergo additional training to ensure that a diverse slate of candidates is considered for all job openings.

Competitive Pay and Benefits

Luxfer's compensation philosophy aims to attract, retain, and motivate employees through our incentive and benefit programs. We offer competitive base pay and, depending on position, variable incentive pay associated with individual performance and the performance of the Company as a whole, including both short term incentive pay and long-term equity awards. Full-time employees are offered paid time off, opportunities to participate in the Company's various pension and retirement savings plans, health benefit coverage, fitness and wellness programs, healthy living incentives, and more.

APPROVAL

This Report, provided pursuant to the U.K. Equalities Act of 2017, has been approved by the Board of Directors for Luxfer Holdings PLC for the fiscal year ended 31 December 2021.



Alok Maskara
Chief Executive Officer
Luxfer Holdings PLC

2 March 2022