



LUXFER

LUXFER HOLDINGS PLC
UK GENDER PAY GAP REPORT

Fiscal Year 2023

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

WHAT IS THE GENDER PAY GAP?

The UK Equal Pay Act 1970 made it illegal to pay males and females different amounts to perform the same work. However, the gender pay gap is different from 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 males and females in each quartile of the pay structure within the company. Luxfer Holdings PLC recognizes that collecting and reporting this data helps us understand and take action to close 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. We operate 12 manufacturing plants throughout the United Kingdom, the United States of America, Canada, and China, employing approximately 1,400 people globally. As of the snapshot date of 5 April 2023, we employed 554 people in the UK. 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 UK, namely Luxfer Gas Cylinders Limited in Nottingham, England and Magnesium Elektron Limited in Manchester, England. It also includes data related to our corporate employees located in the UK.

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 2023. From the inception of the Act in 2017 through the 2020 reporting year, both subsidiaries historically met the 250-employee threshold and filed separate gender pay gap reports annually as required by the Act.

Magnesium Elektron Limited employed 314 people as of the 5 April 2023 snapshot date (2022: 254) and has filed a separate gender pay gap report for the 2023 reporting year. This report can be found on our website at <https://www.luxfer.com/environment-social-and-governance/social/>.

Luxfer Gas Cylinders Limited employed 223 people as of the 5 April 2023 snapshot date (2022: 235) and, therefore, is not required to report separately under the Act for the 2023 reporting year.

Although only one of our UK subsidiaries is required to report separately from Luxfer Holdings PLC for the 2023 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 UK, are included in this Report, which covers 100% of our UK operations as of the 5 April 2023 snapshot date.

Number of Employees

		2022	2023
Luxfer Gas Cylinders Limited	Female	19	19
	Male	216	204
	Total	235	223
Magnesium Elektron Limited	Female	45	56
	Male	209	258
	Total	254	314
Corporate	Female	3	6
	Male	12	11
	Total	15	17
Luxfer Holdings PLC	Female	67	81
	Male	437	473
	Total	504	554

HOURLY PAY GAP

What is it? The difference between average hourly earnings received by males and females in the pay period ending on the snapshot date of 5 April 2023, calculated in proportion to the average hourly earnings received by males and expressed as a percentage. ¹

6.2%

Mean hourly pay gap
2022: 5.1%

1%

Median hourly pay gap
2022: - 8.3%

Hourly Pay Gap		2020	2021	2022	2023
Subsidiary and Consolidated Data					
Luxfer Gas Cylinders Limited	Mean	8%	3%	-1%	-0.2%
	Median	-1%	-9%	-15%	-6.4%
Magnesium Elektron Limited	Mean	10%	15.1%	11%	12.7%
	Median	8%	6%	6%	11.5%
Luxfer Holdings PLC	Mean	8%	5.5%	5.1%	6.2%
	Median	-1%	-1.6%	-8.3%	1%

What does it mean? Being the average, the mean hourly pay gap gives an overall indication of the size of our hourly gender pay gap. The median hourly pay gap is intended to give an indication of the ‘typical’ situation, as it identifies the average hourly earnings in the middle of a list ordered from highest to lowest, and thus is less likely to be distorted by unusually high or low earnings.

What changed? In 2023, our mean hourly pay gap increased slightly. Our median hourly pay gap, while closer to 0% than in 2022, increased slightly in favor of males. We believe the 6.2% mean hourly pay gap is explained by a few very high earners in our dataset, all of whom are males. The presence of these outliers indicates that our mean hourly pay gap is skewed in favor of males. The change in the median hourly pay gap is explained by the bonuses paid to males and females in 2023 being of similar average value, as compared to 2022 where the average value of bonuses paid to females was higher. Given similarities in the average value of bonuses paid to males and females in 2023, there was less variance in the average hourly earnings of male and female employees.

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.

BONUS GAP

What is it? The difference in average bonus earnings received by males and females during the 12-month period leading up to 5 April 2023, calculated in proportion to the average bonus earnings received by males and expressed as a percentage.

1.27%

Mean bonus gap
2022: 41.8%

-280%

Median bonus gap
2022: -56.7%

		Bonus Gap			
		Subsidiary and Consolidated Data			
		2020	2021	2022	2023
Luxfer Gas Cylinders Limited	Mean	64%	-137%	18%	16.7%
	Median	-17%	-15%	36%	0%
Magnesium Elektron Limited	Mean	31%	42.2%	19%	13.1%
	Median	3%	26.1%	-45%	11.8%
Luxfer Holdings PLC	Mean	64%	34.9%	41.8%	1.27%
	Median	-17%	-86.6%	-56.7%	-280%

What changed? In 2023, the mean bonus gap decreased, and the median bonus gap increased. We believe the year-over-year change in both figures is explained by the significant decrease in the average value of bonuses paid in the period of 6 April 2022 to 5 April 2023 versus 6 April 2021 to 5 April 2022. To the extent bonuses were paid in the 2023 reporting year, the overall average value of bonuses paid to males and females were similar. Specifically, the average value of bonuses paid to executive and senior leaders decreased year-over-year. Because these executive and senior leaders are typically high bonus earners and predominantly male, the mean bonus gap decreased as a result. While the mean bonus gap closed year-over-year, it is still slightly skewed in favor of males, which is due to the fact that executive and senior leadership roles tend to have a more substantial bonus component, and these roles are generally filled by a higher number of males. A large median bonus gap favoring females was observed in 2023 and in previous years. The overall median bonus gap further increased in 2023 and remains heavily skewed in favor of females. This is explained by the fact that most females worked in office, technical, and administrative roles, which tend to include a more substantial bonus component.

For the reporting period, cash bonuses relate to performance over the 2022 fiscal year, which are paid in the 2023 fiscal year, while bonuses in the form of stock options relate to performance in previous years. For purposes of this Report, bonuses are calculated as of the date the employee incurs income taxes and related charges, which, in the case of stock options, occurs as of the date the employee exercises their stock options.

PROPORTION RECEIVING A BONUS

What is it? The proportion of males and females who received a bonus during the 12-month period leading up to 5 April 2023.

91.4%

Proportion of females
receiving a bonus
2022: 65.7%

91.5%

Proportion of males
receiving a bonus
2022: 46.7%

Proportion Receiving a Bonus Subsidiary and Consolidated Data					
		2020	2021	2022	2023
Luxfer Gas Cylinders Limited	Female	57%	82.2%	11%	79%
	Male	38%	46.7%	1%	95.1%
Magnesium Elektron Limited	Female	95%	89%	87%	96.4%
	Male	98%	97%	91%	89.5%
Luxfer Holdings PLC	Female	57%	82.2%	65.7%	91.4%
	Male	38%	78.2%	46.7%	91.5%

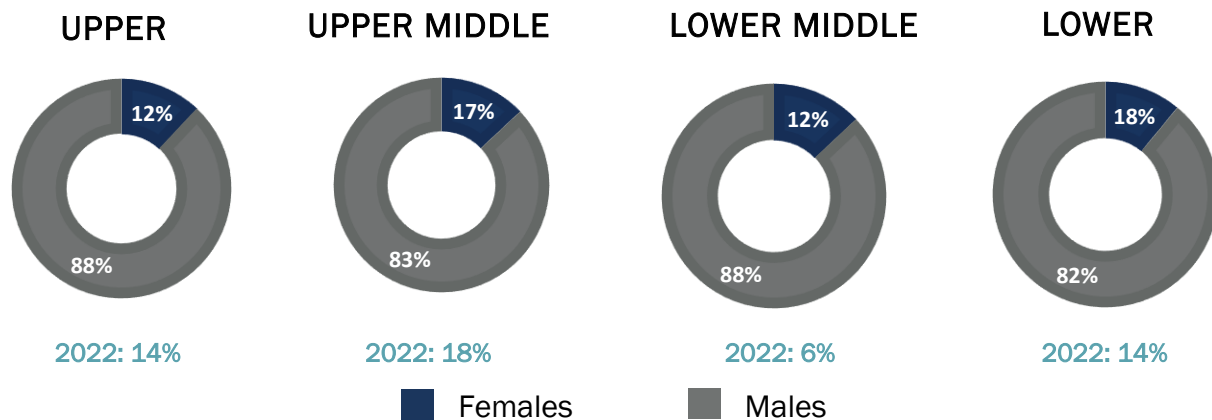
What does it mean? Comparing the proportion of males and females who received a bonus within the 12-month bonus period tells us how much more likely male full-pay relevant employees are to receive any amount of bonus payment compared to female full-pay relevant employees, and vice versa.

What changed? Luxfer has a complex bonus scheme, which includes variable incentive pay associated with individual performance and the performance of the Company (in the case of corporate employees) or the relevant subsidiary (in the case of business unit employees) as a whole, including both short-term annual incentives and long-term equity awards. More employees received bonuses in 2023 than in 2022 due to implementation of a standardized bonus scheme across the Company, when previously business units maintained various bonus programs for lower-level office staff and production workers. As a result, the number of employees who were eligible for and paid a bonus in 2023 increased. Additionally, stock options were awarded to and subsequently exercised by a broader group of employees during the reporting period, particularly those participating in the Luxfer Management Development Program, including a number of female participants. Overall, males and females received bonuses at nearly the same rate in 2023.

PAY QUARTILES

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 females and males in each quartile is then calculated.

Percentage of Females in Each Pay Quartile



Pay Quartiles (% Female) Subsidiary and Consolidated Data

		2020	2021	2022	2023
Luxfer Gas Cylinders Limited	Upper	6%	6%	9%	0%
	Upper Middle	11%	9%	12%	0%
	Lower Middle	5%	6%	7%	0%
	Lower	8%	7%	5%	34%
Magnesium Elektron Limited	Upper	15%	14%	15%	11%
	Upper Middle	13%	14%	19%	13%
	Lower Middle	14%	21%	16%	19%
	Lower	25%	28%	21%	28%
Luxfer Holdings PLC	Upper	12%	12%	14%	12%
	Upper Middle	11%	13%	18%	17%
	Lower Middle	15%	14%	6%	12%
	Lower	7%	11%	14%	18%

What changed? Compared to 2022, there was a slight decrease in the percentage of females in the two upper quartiles, and an increase in the percentage of females in the lower quartiles. These changes are likely due to the fact that, in 2023, there was a higher number of vacant positions in production, and males have been more likely to apply for and work in said positions. More recently, there has been an increase in the percentage of females in the lower quartiles, likely due to increased recruitment of female apprentices who are starting their careers in Science and Technology based roles. Given the nature of apprenticeships, apprentice pay is generally lower than that of employees with more experience or longer tenure.

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 workforce representation through external hiring and internal mobility and by promoting a culture where our people are not only recognized for doing meaningful work but also feel a sense of belonging. To support our aims, we continue to enhance our people processes, policies, and practices to enable more effective access to, and retention of, a broadly diverse workforce.

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.

Promoting From Within

We understand the diversity that exists amongst our current workforce and, therefore, in addition to recruiting diverse talent from outside of the organization, we also recruit talent internally to promote our existing workforce. We understand the impact that the investment on career growth has on both the individual and on the organization. Thus, we strive to attract, retain, and encourage internal employees to seek new roles within the organization.

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. Although differences in jurisdiction exist, full-time employees are generally 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.

KEY TAKEAWAYS

We continue to implement actions to close our gender pay gap and have made reasonable progress to date. We are pleased to share that the mean average bonus pay gap has improved from the previous year and is currently 1.27%. Additionally, the proportion of women receiving a bonus has increased by 25.7% and is nearly equal to the proportion of men receiving bonuses. We recognize that, like many other organizations in our industry, our pay and bonus gap is largely due to the lower representation of women in senior roles. While we have been more successful in shifting our gender mix at more junior levels, this underrepresentation does bring down the average pay for women across our organization. However, we believe this is a short-term impact. Through awareness of the underlying cause and implementation of actions to address this cause, we aim to continue to grow and include more women in future senior roles, thereby closing our gender pay gap.

APPROVAL

This Report, which is provided pursuant to the UK Equalities Act 2017, has been approved by the Board of Directors for Luxfer Holdings PLC for the fiscal year ended 31 December 2023.



Andy Butcher
Chief Executive Officer and Executive Director
Luxfer Holdings PLC

5 March 2024