



FUCHS LUBRICANTS (UK) PLC
GENDER PAY GAP REPORT 2020

INTRODUCTION

Again in 2020, we are pleased to report an improvement in our Gender Pay Gap figures.

This is a good indication that the actions we are taking are beginning to have the right impact. However, there is still far more for us to do to close the gap. We have looked at the reasons why our gap exists and set out actions to move us forward at an even faster rate.

Fuchs Lubricants (UK) PLC ensures that people are treated equally at work, across all levels and locations. This includes making sure they have the same opportunities for recognition, reward and career development.

We conducted an equal pay audit, which found that Fuchs pays people fairly for carrying out work of equal value, regardless of gender, however there is still a gender pay gap. This gap is caused by the unequal distribution of male and female employees across the company, not because of our pay policies and practices. The main reasons for this are that it is typical for our industry that there are fewer women in senior positions, and fewer women working in certain roles that attract higher levels of bonuses, such as sales.

We are continually working to bring gender balance to our workforce, and while progress has been made, it is a long-term challenge within the industry.

As a company, we create a culture where people can be themselves at work, regardless of their gender or any other attributes. Diversity and inclusion are central to our business.

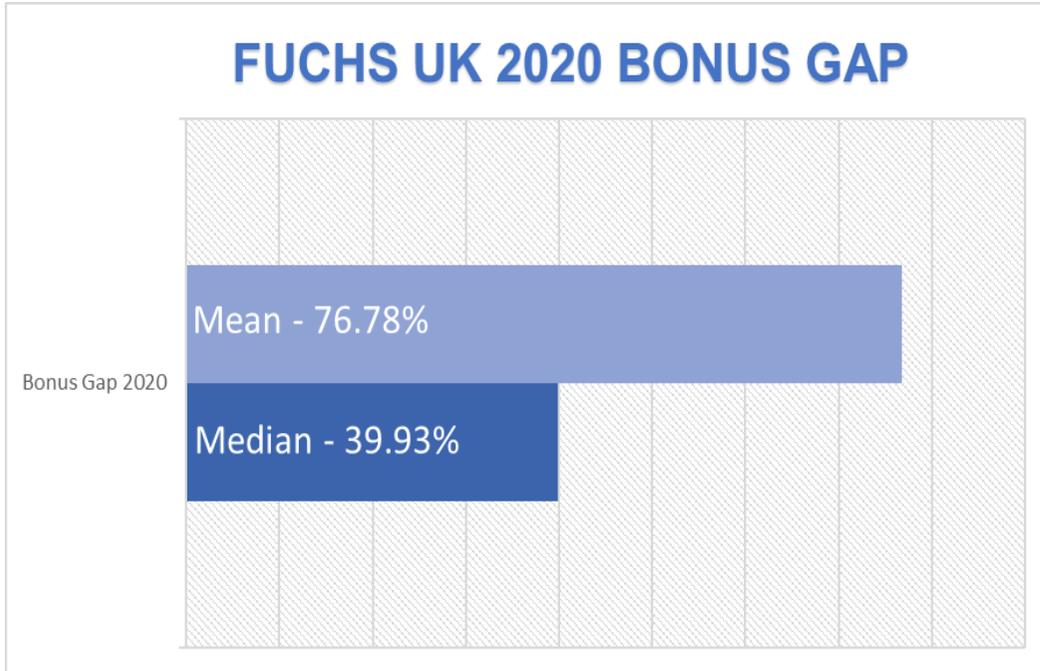
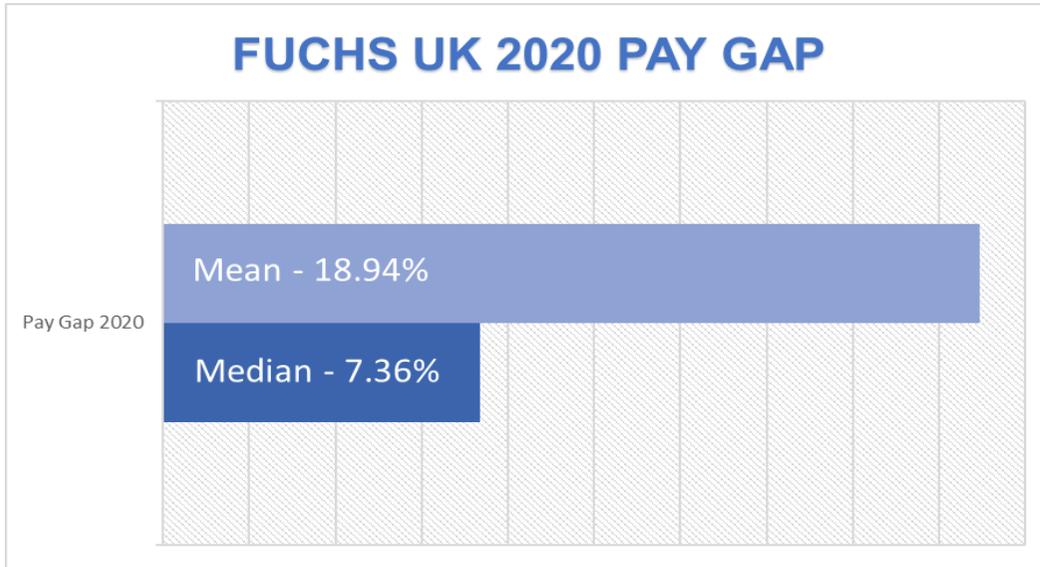
We welcome and support the UK Government 's leadership in gender equality and the requirement for companies to publish their figures.

We confirm that the Gender Pay Gap data included in this report for Fuchs Lubricants (UK) PLC is accurate and has been produced in accordance with the guidance on managing gender pay developed by the Arbitration and Conciliation Service (ACAS)

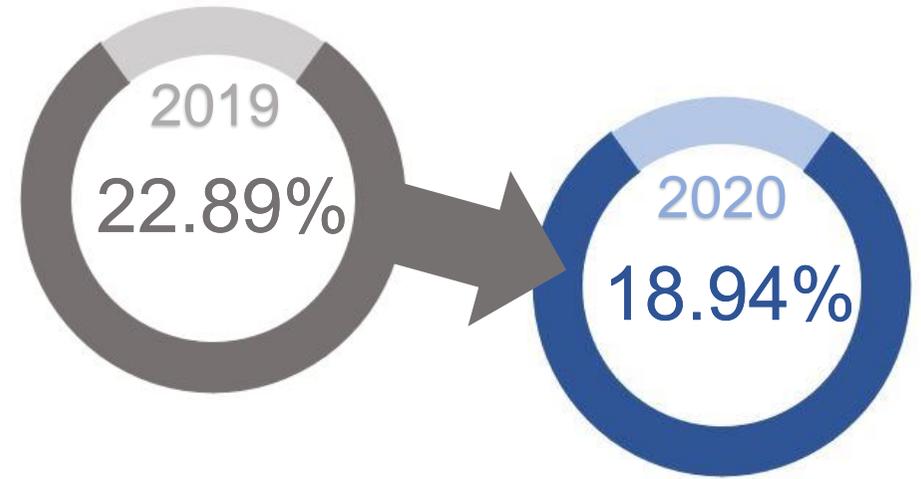


Richard Halhead
Managing Director

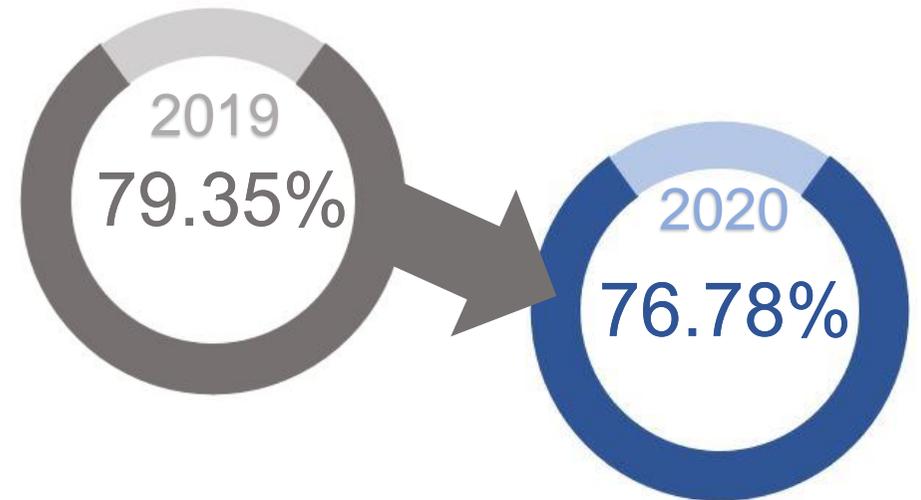
GENDER PAY GAP DATA



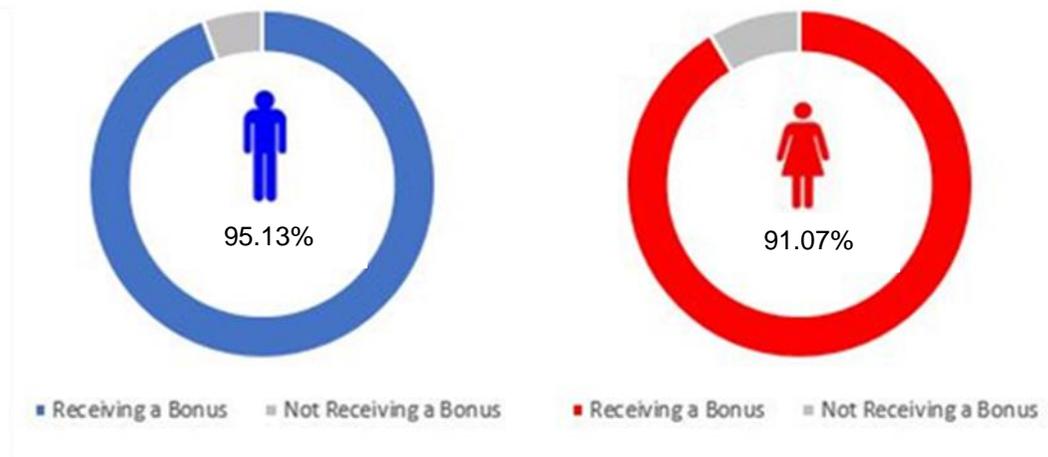
Mean Gender Pay Gap Comparison



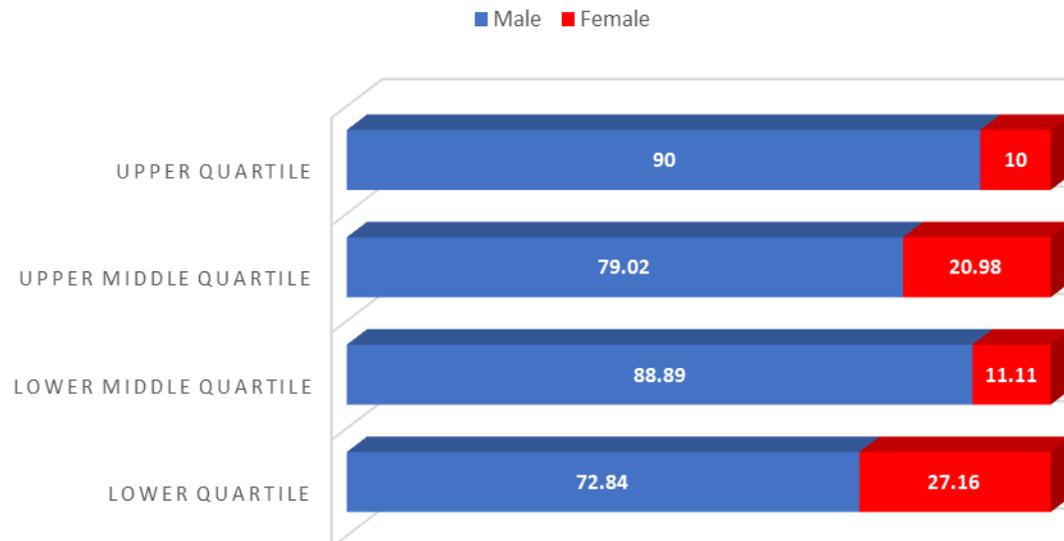
Mean Gender Bonus Gap Comparison



Proportion of Employees Awarded a Bonus in the Year to 5th April 2020



BREAKDOWN BY PAY QUARTILE



FUCHS UK AND THE GENDER PAY GAP REPORT

The Gender Pay Gap

The Gender Pay Gap is distinct from Equal Pay and refers to the difference in the average pay and bonuses of all men and women across an organisation. We are confident that we have equal pay for equal work, however when comparing an overall average there is still a Gender Pay Gap.

Understanding our Gender Pay Gap

Men have traditionally dominated the lubricants sector, and this is reflected within our organisation where 80% of our employees are male and 20% are female.

There are two main reasons for our gender pay and bonus gaps; we have more men than women in senior positions, and there is a UK-wide issue of women being under-represented in scientific, engineering, technical and sales roles. These positions tend to attract high levels of remuneration due to scarcity of skills and highly competitive markets. However, we have seen a significant shift in the male/female ratio within our Customer Service and R&D Labs.

Our bonus awards are gender neutral. However, in some areas, such as sales, we see a greater bonus gap because of higher variable pay, reflecting market practice and few women in these roles. These bonuses have a significant impact on our mean bonus gap.

Fuchs Value Added Reward Scheme

In addition to traditional incentive schemes, in 2017, the Fuchs Value Added Reward Scheme was launched to ensure that all employees are recognised for their contributions to the business, which is represented here with an equal proportion of men and women receiving bonuses. The small percentages of both Male and Female employees who did not receive a bonus were those that joined part way through the year.

OUR APPROACH GOING FORWARD

To address gender balance, we maintain a culture of inclusion in which people from all backgrounds can fully contribute to the growth and success of our business. To achieve this, we remain focused on 3 areas:

- **Visible Leadership**
- **Inclusive Culture**
- **Attraction and Development**

Visible Leadership:

In line with our leadership principles and code of conduct, we conduct leadership meetings with a focus on collaboration and unconscious bias to ensure leaders understand their impact on others and how they can create a more inclusive working environment.

Inclusive Culture:

One of our values is respect for each other. Creating an inclusive environment in which everyone can express and develop their potential from the moment they are hired and throughout their career, ensures that all our employees have the same opportunity to succeed.

We offer maternity, adoption, surrogacy and shared parental leave policies equalised to balance the demands of parenting between both parents.

We also offer flexible working to help our employees better fit their roles around their lifestyle.

We raise awareness in areas including gender identity, inclusive leadership, unconscious bias, disability, cultural awareness and sexual orientation.

Attraction and Development:

As an organisation we are confident that our existing policies regarding recruitment, reward, promotion opportunities, maternity and flexible working already contribute to our ability to attract and retain women within the organisation.

We have gender neutral practices in our recruitment process including ensuring job adverts have gender neutral language and diverse candidate shortlists.

We mitigate unconscious bias during selection processes by having diverse and gender-balanced selection panels.

Next Steps

As an organisation, we will engage with employees to progress on gender equality across the company.

We are committed to diversifying our employee population and to supporting gender parity in senior management roles wherever possible through recruitment, talent management and compensation practices.

We will develop new ways of making typically male-dominated roles attractive to women and support them to gain the technical skills to progress into more senior roles

We will continue to monitor and analyse our gender pay gap so that we can better understand the drivers of the gap and target action to reduce it.