



GENDER PAY IN VICTREX

For us, diversity reflects differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking style, experience and education. Put simply, we're all equal and we treat each other in the same way that we'd expect to be treated ourselves.

By having a diverse workforce, we are able to draw on a wealth of skills, experience and talent to improve teamwork, drive innovation and successfully deliver our strategy and Company priorities.

For further information on our Statement of Inclusion, Diversity & Equal Opportunity, please view our policy via the following link: <https://www.victrexplc.com/governance/statement-of-inclusion-diversity-and-equal-opportunity/> .

Gender diversity and pay

Each year, following the introduction of the Gender Pay regulations in 2017, we are required to publish information about our gender pay gap. The UK government defines this as:

"The difference in the average earnings of men and women, expressed relative to men's earnings.

For example, women earn 15% less than men per hour."

This is different from 'equal pay', which can be defined as men and women being paid the same for the same work. Victrex is fully compliant with equal pay legislation.

For gender pay gap reporting purposes, we took our 'snapshot' of Victrex Manufacturing Limited at 5 April 2020.

Snapshot headlines

Employees

- There were 676 relevant people employed on full pay.
- 82% were male and 18% female.
- 80% worked within STEM (science, technology, engineering, maths) functions, and 88% of this group were male.
- 100% of our Executive Leadership Team members (Executive Directors) were male.
- The proportion of male vs female employees in each of our pay bands was split as follows:
 - Lower quartile - 67.65% male vs 32.35% female
 - Lower middle quartile - 89.53% male vs 10.47% female
 - Upper middle quartile - 89.70% male vs 10.30% female
 - Upper quartile - 80.47% male vs 19.53% female.

Pay

- The mean hourly rate of pay for males was 10.61% higher than females.
- The median hourly rate of pay for males was 6.47% higher than females.
- 11.11% of males were paid a bonus, compared with 16.18% of females.
- The mean bonus payment for males was 93.57%* higher than females.
- The median bonus payment for males was 43.30% higher than females.



- 39% of our employees were paid a shift premium and 98% of them were male.

*The jump in the mean male bonus can be attributed to the fact that of the employees who had taxable share gains in the year, two males were executive directors whose gains particularly affected the outcome.

Analysis and action

Analysis

Whilst most of the statistics are broadly similar to last year's report, I'd like to explain some of the changes.

Actual pay after salary sacrifice

Victrex operates salary sacrifice schemes for pensions, childcare vouchers, cycle to work and share incentive plans. Employees take advantage of these benefits through personal choice, however the gender pay statistics are calculated after salary sacrifice, therefore these personal elections are impactful on our statistics.

Mean & Median hourly rate.

Shift premiums are paid to reflect different working patterns in our manufacturing operation, where the majority of employees are male. This continues to directly impact our hourly rate of pay.

Although still higher for males, we continue to see positive year on year trends in mean and median rates. A number of factors have contributed to these results. Average pay for new starters for males has been affected by a large intake of male apprentices, compounded by average pay for female new starters being higher than the previous average.

We have seen some positive trends in female progression through both formal schemes such as apprenticeships and via internal promotion which has been reflected in salaries.

There was a reduction in salary sacrifice deductions for Childcare Vouchers for both genders, however this has had a larger impact on the female statistics than male.

Bonuses

For the calculations in this report we have included:

- the taxable gain on the sale of share options - where employees decided to sell for whatever reason, e.g. share price, personal financial circumstances etc. (eligible to all)
- sign-on bonuses – payable to new starters, usually in niche or critical skills roles, as an incentive to join the company
- functional awards – which form part of our Award & Recognition programme (eligible to all)

Our annual bonus payment was not triggered in the 2019 finance year, therefore we feel that the bonus data we've reported this year isn't truly reflective, compared with our years when the bonus has been triggered.



Action

We continue to focus our efforts to ensure that our pay and bonus plans are inclusive globally, and our total reward offering is competitive for both male and female employees. We continue to have equitable policies and processes, regardless of gender.

Since our last report was published, I have sponsored inclusion and diversity (I&D) personally, with support from our Head of Learning and Development who leads on I&D for Victrex, as part of the Human Resources Leadership Team. During 2019-20 we rolled out a new business-wide objective focused around 'working together', designed to encourage greater awareness and support for I&D. Employees globally are focusing on this objective through individual performance appraisals as well as being championed by the executive directors and my wider leadership team. This effort is driving ownership to ensure that all managers and leaders are aware of our commitments and their responsibilities to help meet them.

During 2020 we will drive a renewed focus on flexible working which, alongside our breadth of other inclusive policies, will have an impact on the balance of male vs female employees.

Summary

This is our fourth year of reporting on gender pay. The leadership team and I remain committed to taking sustainable, positive, proactive actions to improve our statistics and to close the gender pay gap.

Whilst we still have more work to do, we strongly believe that the actions we're taking will deliver benefits and I am pleased with the steady progress we continue to report year on year.

Finally, I can confirm that the information and data reported is accurate as of the snapshot date of 5 April 2020.

Jakob Sigurdsson
Chief Executive Officer
Victrex plc