



GENDER PAY IN VICTREX

For Victrex, diversity, equity and inclusion are all central to our 2030 Sustainability strategy, we set targets specifically focused on measuring the effectiveness of interventions to support female progression within our organisation. In 2022 we have established a new Corporate Responsibility Committee chaired by a Non-Executive Director to increase the focus and rigour on our efforts to drive change in the DE&I agenda.

We are striving to build a more diverse workforce in which we empower employees to bring their whole-self to work, unlocking potential to draw on a wealth of skills, experiences and talent to improve our collaboration in teams, driving continuous 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

We continue to report and publish our statutory gender pay and bonus gap each year, in line with the guidance introduced in the Gender Pay regulations in 2017. In addition, we look for trends and indicators of our successful implementation of targeted initiatives or identify new opportunities to support bridging the gap over time.

Gender pay explained:

"Having a gender pay gap isn't the same as having an equal pay issue. Gender pay gap is the description given to the difference in average pay of all men and all women across an organisation regardless of role or level. Reporting a mean positive pay gap means male employees, on average, are paid more than female employees. Reporting a mean negative pay gap means female employees are paid more than male employee, on average. While this is not acceptable it is not illegal.

However, in contrast, equal pay is different as it is a direct comparison between individuals and considers whether someone is paid equivalently to others doing the same or equivalent job, regardless of gender. Unequal pay is unlawful."

For gender pay gap reporting purposes, we took our 'snapshot' of Victrex Manufacturing Limited at 5 April 2022 and have outlined the headline statistics and analysis below. We have then set out a summary of the key improvement actions we have been taking and the positive trends emerging since we started our reporting began in 2017.

Snapshot headlines for 2022

Pay Relevant Employees		
	2022	2021
Total	663	612
Men	79.00%	80.00%
Women	21.00%	20.00%

Gender Pay Gap (Hourly Rate)

Mean Year on Year comparison		Median Year on Year comparison	
2022	2021	2022	2021
8.50%	10.98%	6.52%	6.93%

Pay Quartiles (Year on Year Comparison)

Lower			Lower middle			Upper middle			Upper		
2022	2021		2022	2021		2022	2021		2022	2021	
Men	64.46%	65.16%	Men	89.16%	90.13%	Men	84.94%	87.50%	Men	78.18%	78.43%
Women	35.54%	34.84%	Women	10.84%	9.87%	Women	15.06%	12.50%	Women	21.82%	21.57%

Bonus Paid

% Receiving a Bonus		
	2022	2021
Men	88.05%	64.50%
Women	80.27%	30.00%

Bonus Gap

Mean Year on Year comparison		Median Year on Year comparison	
2022	2021	2022	2021
33.85%	-5.15%	11.11%	28.30%

Analysis and insights

Mean & Median hourly rate.

The primary factor influencing the negative pay gap is the ratio of females overall in positions which have higher remuneration opportunity such as management and professional roles. The more senior job in hierarchy terms attract a higher level of variable (at risk pay) and long term incentive plans which have a tendency to fluctuate based on performance which has a direct impact year on year to the pay gap.

There are other influencing factors that link to the general representation of women in roles where the earnings potential is higher, for example the shift roles where a differential allowance is paid. As Victrex has a large manufacturing

operation in which the majority are male employees and as these roles are required to work shifts and unsocial hours the roles these attract this shift premium which inflates the pay. To put this into context 37% of our employees were paid a shift premium and 98% of those who received the shift premium were male. We continue to strive for more female representation in all roles and levels across the company.

Quartiles

We have seen incremental progress in the three higher quartile bands although we acknowledge that we need to continue to make targeted efforts to accelerate this in the coming years through our initiatives to achieve our DE&I target by 2030, which will have a natural impact on the earnings potential of female employees.

In addition we are working to understand the representation of the lower quartile (35.5% female) as the proportion females to males does not follow the overall male to female ratio in the company at 78.6% / 21.4%. We should expect to see a broadly similar distribution throughout the quartiles. With these insights we are building plans of action to address the imbalance.

Bonuses

Notable items impacting the bonus calculations this year:

- In the snapshot year of April 2022 the company successfully achieved maximum bonus target, this is an all employee bonus plan with tiered levels aligned to organisational levels within our global compensation structure. Therefore the bonus gap is impacted where more males occupy senior level positions where variable pay such as bonus opportunity is higher.
- The taxable gain on the sale of share options and LTIP proceeds have impacted the mean bonus calculation again in 2022 to senior members whom have exercised a considerable number resulting in a notable increase in their earnings to be classified as bonus for the purpose of the bonus gap.
- In order to attract key talent into our organisation, more now than ever in the currently challenging market, we operate discretionary 'sign-on' bonuses – these are lump sum payments made to newly hired employees, usually in niche or critical skills' roles. Notably in 2021, a sign-on bonus was given to a female to attract into a senior position and had a positive impact on the bonus gap in a year when the company bonus did not payout, creating a negative bonus gap. As a consequence in 2022 we have reverted back to a bonus gap in favour of males following the successful maximum bonus metric being triggered.

Actions

I continue to sponsor our Diversity, Equity and inclusion agenda (DE&I) personally, with support from our Head of Learning and Inclusion Jacq Furness. We have globally inclusive pay and bonus plans, and continue to focus our efforts

to maintain a competitive total reward offering. We continue to have equitable policies and processes, regardless of gender.

We recognise that there are specific roles where we have not attracted a balanced proportion of females as we would have wanted and we continue to work with contacts in the local area to encourage females to join the company and consider careers in such hard to attract roles. We are actively promoting and supporting a hybrid and remote working approach to reach talented individuals, this is helping us attract a more diverse candidate pool for jobs. In addition, the apprenticeship programmes will provide the talent pipeline for the future and we measure the proportion of females within this groups.

In the past year, we have also:

- Introduced a new Corporate Responsibility Committee where DE&I strategies will be a key focus.
- We have set a target to have at least 40% female representation in our senior management roles by 2030. In April 2022 we reported 17% against this target.
- Rolled out #iamremarkable training to all gender engagement networks, which focuses on supporting underrepresented people with celebrating their remarkable attributes
- Introduced an applicant tracking system that has enabled us to do more detailed analysis of who is applying for jobs at Victrex and in turn enabling us to be more targeted about diverse recruitment campaigns
- Supported International women's day with break the bias videos, stories from women about women's experiences in the workplace and women's health
- Launched our new careers site showcasing successful women in early careers at Victrex
- UK gender engagement network created 'Thursdate' where female and male colleagues share personal and work experiences offering internal support to women in the workplace
- Embedded the global flexible working policy with more women taking up flexible working opportunities than before

Trends

This is our sixth year of reporting on gender pay and I'm pleased to say that we continue to make steady but sure progress in closing the gender pay gap over that time.

For example, we continue to see positive trends in female progression through both formal programmes such as apprenticeships, increase in females in STEM roles (currently 20% in 2022), internal promotions and attracting new talent. The positive impact of these and other changes can be seen in the statutory reported data since 2017. For example:

- The percentage of female employees overall has increased from 17% in 2017 to 21% in 2022
- The percentage of female employees in the upper middle quartile increased from 6.15% in 2017 to 15.06% in 2022
- The percentage of female employees in the upper quartile has increased from 17.83% in 2017 to 21.82% in 2022
- The median gender pay gap has reduced from 13.49% in 2017 to 6.52% in 2022

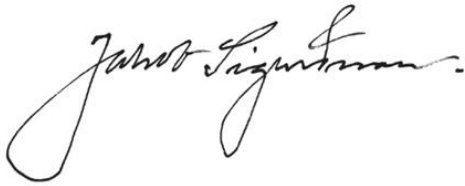
Summary

Working with the Vitrex Management Team, we are committed to taking sustainable, positive, and proactive actions to close the gender pay gap through focused interventions. We are actively reviewing, defining and developing initiatives to accelerate our progress toward our targets to becoming a more gender balanced organisation by 2030.

We have made steady incremental progress over the past six reporting years, reducing the pay gap and increasing our female leadership and talent pipeline at apprentice level, however we remain focused to do better.

Over time, we are confident that the actions and initiatives we put in place, alongside our other inclusive policies, will have an impact on the balance of male vs female employees at all levels in the organisation and support our 2030 Sustainability goals.

Finally, I can confirm that the information and data reported is accurate as of the snapshot date of 5 April 2022.

A handwritten signature in black ink, reading "Jakob Sigurdsson".

Jakob Sigurdsson

Chief Executive Officer Vitrex plc