



ENABLING **ENVIRONMENTAL & SOCIETAL BENEFITS**

VICTREX PLC
SUSTAINABILITY REPORT 2022

BRINGING TRANSFORMATIONAL & SUSTAINABLE SOLUTIONS THAT ADDRESS WORLD MATERIAL CHALLENGES EVERY DAY



SUSTAINABILITY REPORT

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Victrex already has a key role in enabling environmental & societal benefits for our customers and the planet, through products which support the lightweighting trend and consequently CO₂ reduction in Aerospace and Automotive, and the need for clinical benefits in the medical industry (see page 58). Across other industries, including Electronics with more energy efficient applications, and other industrial end markets, our applications also offer clear performance and sustainability benefits.

In our own operations, Victrex has a Carbon Net Zero goal by 2030 (Scope 1 & 2 emissions), with an aspiration to reduce our environmental footprint by saving water, energy and waste, and we continue to make good progress, with options being assessed.

We have been steadily gaining accreditation for our sustainability strategy, and how our products can bring environmental & societal benefits. The likes of EcoVadis and FTSE Russell already recognise us for this, with all our revenues from Transport (Automotive & Aerospace) included in FTSE Russell's assessment of products defined as part of its Green Revenues Index, equating to approximately 30% of our revenues on its definition. We look forward to continuing to play our part over the years ahead.

ENABLING ENVIRONMENTAL & SOCIETAL BENEFITS

How our products support CO₂ reduction in society

Within our own assessment of how our products – our sustainable solutions – bring environmental and societal benefits, our target is to exceed 50% of revenues by 2025 and 70% of revenues by 2030 (from <50% today). This includes products for the Medical Devices industry, where clinical benefits in terms of enhanced union rates for the likes of Trauma plates, improved brain function using PEEK based Cranio Maxillo Facial ('CMF') skull plates, or patient satisfaction from alternatives to metal are supporting surgeons globally. Today, over 15 million PEEK implants are in patients' bodies, mostly in Spine, but increasingly in applications for Arthroscopy, Dental, Cardio and Trauma. FY 2022 saw great progress in the clinical trial for a PEEK Knee, with 30 patients now having a PEEK Knee implanted, and 12 patients beyond 12 months, with no clinical intervention, supporting the potential for commercialisation and a product which could offer clear societal benefits compared to existing metal-based solutions.

As examples of how our products bring environmental and societal benefits:

- applications in Aerospace and Automotive using PEEK polymer typically offer 60–70% weight reduction compared to metal equivalents**. We also have applications tailored for the next generation of electric vehicles ('EVs'), with new business wins through FY 2022 and a potential of over 100g of PEEK per vehicle, compared to approximately 10g today;

- our typical sales to Aerospace alone help support annual CO₂ savings 3x our own annual CO₂ footprint (based on Scope 1 & 2 emissions)*;
- even just a 10kg reduction in weight using PEEK polymer can help to save 4 tonnes of CO₂ per year, per plane*;
- based on the Aerospace industry's forecast of plane build over the next 15 years, if all single aisle planes were built from over 50% PEEK composites, a 53 million tonne CO₂ saving could be realised (over a 15-year period and based on an average weight saving of 60%)**;
- in Electronics, a typical 40% weight saving in home appliance applications supports the opportunity of improved energy efficiency**; and
- finally, in the Medical Devices industry, higher union rates using PEEK composite-based Trauma plates have been achieved, compared to metal-based solutions**.

* IATA carbon reduction and climate change 2018.

** Data on file.





Sustainability report continued



As a purpose led organisation, our global employees have a real motivation to enable environmental & societal benefits for our customers and the planet – through our sustainable products supporting CO₂ reduction, energy efficiency, or clinical benefit in Medical – as well as how we can minimise our own use of resources.

Jakob Sigurdsson
Chief Executive Officer



Introduction from the Chief Executive Officer – Jakob Sigurdsson

A key focus area during 2022 has been assessing the most appropriate route for delivery of our 2030 goals. This includes the assessment of alternative fuels and technologies, including potential full electrification (compared to roughly 50/50 gas & electricity usage) and access to hydrogen as a fuel source, given that the use of alternative fuels or process technology change will be contingent on how we could get to Net Zero (Scope 1 & 2 emissions) in our own operations. Through the coming years, we expect to be in a better position to have firmed up the options on how we deliver our goals. The formation of our Corporate Responsibility Committee ('CRC') this year will also oversee our goals and long-term aspirations.

Our 2030 Sustainability Vision continues to be focused on three main areas:

- Sustainable solutions: how our sustainable products enable environmental & societal benefits, for example in supporting the reduction of CO₂ in Aerospace and Automotive markets, including in electric vehicle applications, as well as offering recyclability potential and energy efficiency in Electronics. This area also includes Medical, where over 15 million implanted devices are using PEEK-OPTIMA™ as a replacement for metal, offering clinical benefit in Spine, Trauma and Arthroscopy, with growing commercialisation or development in Cardio (Artificial Heart), Drug Delivery and Knee;
- Resource efficiency: energy usage will continue, in the short term, to be driven by production volumes, as will water. However, pleasingly, we note that our carbon intensity decreased by 4% this year. Waste to landfill increased this year due to higher production and waste stored up during the COVID-19 pandemic. We have increased how we measure energy, waste and water usage within our business and expect to add some further quantification over the years ahead. Finally, we made great progress this year in completing a full Lifecycle Analysis of our key products, so we can track PEEK's carbon footprint from 'cradle to gate', noting that the multiple production processes typically mean PEEK has a higher carbon intensity per kg than other polymers, even if the performance properties are higher. This means we will, from FY 2023, be reporting on all relevant Scope 3 emissions (indirect emissions from formulation of and transport of goods that are supplied to us, prior to manufacture). Whilst peer data is difficult to fully track, our own internal assessment, and the fact we are using 100% renewable electricity in our own UK operations, suggests Victrex™ PEEK has a favourable sustainability profile against competitor products. Victrex™ PEEK is also more favourable than the industry average for PEEK manufacturing's global warming potential, based on GaBi materials data; and
- Social responsibility: Victrex has a long track record of supporting local communities where we operate. Safety and wellbeing goals will seek to achieve a culture with zero accidents and zero incidents, together with enhanced Diversity, Equity & Inclusion ('DE&I') goals. Indeed, our progress here has been good, with a target of 40% of females in leadership roles by 2030. In FY 2022 we saw an improvement up to 19%, from 10% in the prior year. Much of our community activity is focused on the next generation, including continued support of Science, Technology, Engineering and Mathematics ('STEM') learning in UK schools, with a plan to globalise this programme, including in China. Through supporting STEM activities in schools, as well as supporting 63 apprentices this year – 17% of whom are female – we committed 4,784 hours to local communities in FY 2022, with a cumulative target of 10,000 hours by 2030. Overall, our 2030 goals build on our previous targets set back in 2013, several of which we have now completed.

Further detail on our accreditations is shown on page 50, and although we do not specifically seek recognition for our sustainability performance, we saw additional progress with an A rating from MSCI; continuation within the FTSE Russell Green Revenues Index, reflecting our sales into Transport markets, where our lightweight materials support the trend of CO₂ reduction; and Apple recognising our Sustainability Vision and commitments in its Clean Energy Supplier programme. Finally, 100% of our UK electricity is now from renewable sources.

At a personal level, I remain hugely passionate about sustainability and what our products can do to help the environment and society. In a world where CO₂ reduction, electrification and lightweighting are in focus, or in Medical, where performance benefits to patients matter, Victrex can play a key part in supporting our customers, differentiating our business and ultimately bringing tangible benefits to society and the environment.

I look forward to further progress being delivered in the years ahead.

Jakob Sigurdsson
Chief Executive Officer
6 December 2022

VICTREX'S OPTIONS TO **NET ZERO** (SCOPE 1 & 2 EMISSIONS)

Our Net Zero aspiration for Scope 1 & 2 emissions is centred on reducing climate impacts from our own operations.

A 2030 vision

Our Net Zero goal by 2030 (for Scope 1 & 2 emissions) was set in 2020 and is significant and ambitious. It intentionally focuses and invests to help reduce our carbon footprint (based on 2019 manufacturing footprint).



100% global renewable electricity by 2024 (where the market exists)



Carbon abatement opportunities



Continuously improve emission & waste reductions



Ethical carbon offsetting



Multi-fuel & green backed combustion processes

Fulfilling our goals

Any minority, remaining balance will be from validated, ethical sources.





OUR SUSTAINABILITY VISION AND GOALS

Our 2030 Sustainability Vision was set out in 2020, covering a 10-year period with specific goals and milestones, which we intend to add to as appropriate. Our goals are also aligned with the UN's Sustainable Development Goals ('SDGs'), and these are shown below.

SDGs >

Sustainability pillars >

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS



SUSTAINABLE SOLUTIONS AND RESOURCE EFFICIENCY

Our sustainable products support CO₂ reduction, as well as offering recyclability, whilst we focus on minimising resources (energy, waste and water)



3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH



SOCIAL RESPONSIBILITY

Further inspire our employees and communities to positively impact sustainability development



**OUR KEY IMPERATIVES:**

- Goal of Carbon Net Zero (Scope 1 & 2 emissions)
- Increase revenues from our sustainable products which bring environmental and societal benefits
- Minimise resources (energy, waste and water) used in our own operations
- Enhance our Diversity, Equity & Inclusion ('DE&I') agenda

2030 goals**Milestone targets**

- **Goal of Net Zero Carbon emissions for Scope 1 & 2** by 2030 in our own operations¹
- **Increase recycling rates** of PEEK/PAEK in the supply chain
- **Increase revenue** from our sustainable products with positive environmental and societal benefits (currently 48%)
- **Sustained reduction in resources** carbon intensity, waste and water usage by 2030

- **Victrex using 100% renewable electricity by 2024²**
- **Increase % revenue** from recycled products or materials in the supply chain (by 2025)
- **Exceed 70% of Group revenue** from sustainable products with environmental and societal benefits by 2030 (and exceed 50% by 2025)
- **Commitment to a science-based emissions target³**

- **Deliver zero accidents and zero incidents culture**
- **Grow** global STEM programme
- **Increase community activity** across our global locations
- **Focus** on supporting gender Diversity, Equity & Inclusion

- **Improved safety metrics, based on OSHA standard**
- **STEM Ambassadors** in every region
- **Commit >500 employee hours** to global community activity annually
- **Embed inclusion and diversity** across global employee base

→ Read more on [pages 44 to 74](#)

¹ Scope 1 & 2 emissions and science-based target. Goal based on 2019 manufacturing footprint.

² For all countries where the market exists.

³ Includes quantifying all relevant Scope 3 emissions in our supply chain and establishing a reduction target, based on 2019 manufacturing footprint.



OUR ACHIEVEMENTS AND ACCREDITATIONS IN FY 2022

Science Based Targets initiative ('SBTi') – Victrex committed to SBTi during FY 2022 as part of its 2030 Carbon Net Zero goal, with full submission due to be completed in FY 2023, covering all Scopes in line with 1.5°C emissions scenarios of SBTi.



FTSE Russell – Part of FTSE Russell Green Revenues Index – over 30% of Victrex revenues defined as coming from sustainable solutions.



EcoVadis – EcoVadis is one of the leading organisations assessing the sustainability strategies of global companies. In FY 2022, Victrex was again awarded a Gold rating, meaning we are in the top 6% of companies assessed, out of more than 4,000 companies.



MSCI – MSCI is one of the leading organisations ranking listed companies for their sustainability performance. We saw an improvement to A rating (from BB) in 2022.



SEDEX Member – Committed to an ethical and sustainable supply chain.



Apple Clean Energy Supplier programme – We have been accredited by Apple on its Clean Energy Supplier programme, with 100% renewable electricity supply in the UK and a goal to have 100% globally by 2024.



CDP – Victrex has seen further improvement from the Carbon Disclosure Project ('CDP'), with a ranking of B- in 2021, and evidence of sustained improvement since our original D score in 2013.



Financial Times Climate Leaders – Victrex was named by the Financial Times as one of Europe's climate leaders, one of only 400 European companies selected from around 4,000 companies.



Community focus – Victrex has long-standing partnerships with the Science Industry Partnership, supporting the engineers and scientists of tomorrow; STEM learning, as part of our global STEM programme, supporting careers in Science, Technology, Engineering & Maths; and Business in the Community, where we support a range of local activities in the UK, with over 4,784 employee hours committed to volunteering in FY 2022 alone.






HOW WE ARE MAKING PROGRESS IN OUR SUSTAINABILITY GOALS

In 2013, Victrex started on its sustainability journey, with a 10-year plan through to 2023 (timed to mark the 30th anniversary of Victrex's formation), during which time we have delivered on several key milestones, including improved water usage and waste reduction. The Board is pleased with progress so far, but would like to see continued focus on challenging long-term sustainability goals.

Our 2030 goals are now our primary focus, aligned to the UN Sustainable Development Goals 2030. This year, we have added further measures over the medium and long term, as well as committing to SBTi as part of our science-based target.

As part of our sustainability strategy, we are also investing a large proportion of our Research & Development expenditure in sustainable products. Annually, approximately 89% of our project-based R&D investment is aligned to sustainable products or programmes. These include all of our Aerospace mega-programmes, our programmes supporting high performance materials in E-mobility and Automotive Gears, and all of our Medical mega-programmes which underpin clinical benefits, for example in addressing improved patient outcomes in Trauma, Dental and Knee. We also have selected applications in Energy & Industrial and Electronics which are sustainable, e.g. wind energy.

Area of focus	Progress 2013–2022	2030 goals	Milestone targets	2022 progress or new milestone target
Sustainable solutions  → Read more on page 58	→ >2 million tonnes of CO ₂ saved in Aerospace applications → Proportion of revenue from sustainable products* now 48%, reflecting growth in Transport and Medical applications since 2013 → Societal benefits through improved patient outcomes in Medical: >15 million patients implanted using PEEK-OPTIMA™	→ Increase recycling rates in the supply chain → Increase revenue from our sustainable products with positive environmental and societal benefits (currently c.50%)	→ Increase % revenue from recycled products or materials by 2025 → Exceed 70% of Group revenue from sustainable products by 2030 (and exceed 50% of Group revenue by 2025)	→ Project completed and partnership proposed with VAR customer to enable a recycling route for PEEK in the supply chain → R&D investment in sustainable products equates to 89% of project-based R&D investment (measured as a % of total R&D investment from FY 2023)
Resource efficiency  → Read more on pages 60 to 64	→ >97% renewable electricity globally and 100% in the UK → Sustained reduction in water and waste per tonne (reduction in waste per £m revenue by 48% since 2013)	→ Goal of Net Zero Carbon emissions by 2030 in our own operations (Scope 1 & 2 emissions & science-based target) → Sustained reduction in resources (carbon, waste and water) per unit/tonne by 2030	→ 100% renewable backed electricity by 2024 (globally where the market exists) → Commitment to SBTi by end of 2021 and submission in 2023	→ Completion of Lifecycle Analysis & Scope 3 emissions inventory → Achieved 100% of UK renewable electricity for UK sites
Social responsibility  → Read more on pages 66 to 71	→ Improved OSHA standard in FY 2022 of 0.2 (FY 2021: 0.7 & industry standard of 1.4) → Over 10,000 employee hours spent supporting community activity since 2013 → 45 global STEM Ambassadors in place	→ Deliver zero accidents and zero incidents culture → Increase community activity across our global locations → Grow global STEM programme → Focus on supporting Diversity, Equity & Inclusion ('DE&I') agenda	→ Continually improving safety metrics based on OSHA standard → >2,500 contacts with young people by Victrex employees by 2030 and STEM Ambassadors in every region → Cumulative employee hours supporting local communities >10,000 hours (2020–2030) → Embed Diversity, Equity & Inclusion across the employee base: 40% of females in leadership group (top two grades) by 2030 (FY 2021 baseline: 10%)	→ Further improvement in SHE performance with an RIFR of 0.2 (85% lower than industry standard of 1.4) → 4,784 employee hours supporting local communities during FY 2022 → Further progress on Diversity, Equity & Inclusion goals: FY 2022: 19% of females in leadership group (up from 10% in FY 2021)

Sustainable products are defined as those which offer a quantifiable environmental or societal benefits. These are primarily in Automotive, Aerospace (supporting CO₂ reduction) and Medical (supporting improved patient outcomes). Some applications are also in Energy & Industrial (e.g. wind and renewable energy applications) and Electronics (supporting energy efficiency, e.g. home appliances). Volumes from Oil & Gas are excluded, as are Value Added Resellers volumes currently, due to the lack of full clarity on exact end market destinations. This definition followed review by an external assurance organisation and the Board, with ongoing review by the Corporate Responsibility Committee ('CRC').



Sustainability report continued

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Overview

Victrex welcomes the introduction of the Task Force on Climate-related Financial Disclosures ('TCFD') and recognises the impetus this will provide for companies and stakeholders to understand relevant climate-related opportunities and risks and to also ensure appropriate risk mitigation processes are in place. The Annual Report 2022 represents Victrex's first year of full TCFD disclosures.

Victrex recognises the impact it has on the environment, both in a positive way and negative impacts from our use of resources. On the positive side sustainability is embedded in Victrex's purpose – bringing transformational & sustainable solutions which address the world's material challenges, every day – our mega-programmes and other targeted growth areas are closely aligned to products supporting CO₂ reduction, for example in Aerospace, Automotive and Energy & Industrial end markets. This is underpinned by targeting our investment in Research & Development/innovation which is increasingly focused on sustainable products.

Our goal of being Carbon Net Zero by 2030 (Scope 1 & 2 emissions) also recognises the environmental impact of our manufacturing processes which create emissions, utilise water and generate waste. Our CO₂ metrics are included on pages 61 to 63 with our path to lower emissions included on page 5. We continue to research and invest in new technology aimed at minimising use of resources and significantly reducing our own operational carbon footprint.

As part of our commitment to sustainability, we seek to exceed 50% of Group revenue from products with positive environmental and societal benefits by 2025 and exceed 70% by 2030. We recognise the challenging nature of these targets, but this reflects our commitment to supporting a lower carbon economy and providing greater societal benefits to an increasing proportion of the population. In delivering our targets we are working closely with customers, forming partnerships with companies that share our ambition and goals.

Our sustainability strategy has gained a number of accreditations, as set out on page 50. Our sustainability strategy is also aligned directly to the UN Sustainable Development Goals 2030 and as part of our Carbon Net Zero goal (for our Scope 1 & 2 emissions), we have committed to SBTi, the Science Based Targets initiative.

TCFD has provided a useful framework for the Company to assess its climate change approach against and supported a full breadth of consideration which has been supplemented by external support with the appropriate expertise to challenge and provide guidance in evolving the strategy and approach to climate change. We recognise that developments and focus on climate change have progressed significantly in the past two years, with the 2021 United Nations Conference on Climate Change ('COP26') emphasising the need for governments and businesses to play key roles in moving from ambition to action if climate change is to be controlled, and will continue to do so. Management receives regular input from multiple stakeholders, as we keep our approach under review, supported by the Corporate Responsibility Committee. Engagement in our climate change strategy has been particularly strong amongst our employees, with not only commitment to supporting current workstreams but increasing levels of idea generation coming from all areas of the business, including energy saving measures, recycling and a #Playyourpart campaign.

Statement on TCFD

We set out below our climate-related financial disclosures. These comply with LR 9.8.6R by incorporating climate-related financial disclosures consistent with the TCFD recommendations, specifically under the four TCFD pillars and eleven recommendations. Whilst consistent with the recommendations the Company recognises that the level of granularity provided will increase over time as the

Company matures and embeds its climate change processes and approach and sets more interim targets to track progress against its Net Zero 2030 target. Significant progress has been made in the past year, including the establishment of a specific Board Committee, the Corporate Responsibility Committee, obtaining physical risk assessments and performing scenario analysis.

The below table is presented to demonstrate compliance and signpost where the specific disclosures are included in the Annual Report and Accounts where it is not within this section. It also sets out the future actions the Company is taking which will support more detailed disclosure in future years.

In making the above statement of compliance the Board has considered materiality and whether the incorporated disclosures provide sufficient detail to enable stakeholders to assess the Group's exposure to and approach to addressing climate-related issues. This includes an assessment of the level of exposure the Group has to climate-related risks and opportunities taking into account our products and manufacturing processes. Specifically on the financial disclosures incorporated in the financial statements (see note 1 for details) a materiality level consistent with that used for other financial statement disclosures, and with the level used by the external auditors, has been used, which for the current year is £4.7m.

The Board has considered the TCFD additional guidance (2021 TCFD Annex) in preparing the disclosures, including the sector specific guidance with the Company, as a chemical manufacturer, coming under the Materials and Buildings sector. The Company has included the sector specific disclosures, principally the potential impacts of stricter constraints on emissions and the related impact on costs as well as the opportunities for its products to reduce carbon emissions, with a specific metric (and target) included to measure this. The emphasis of the additional guidance is to provide more granular and explicit disclosures which as stated above is aligned with the Company's objectives for future years. Evidence of this progress will be seen in the Annual Report 2023.

The Board is supported by the Audit Committee in assessing the level of consistency of disclosure with the requirements of TCFD. Further details on the role of the Audit Committee are included on page 97.

TCFD: oversight & governance of our climate-related risks & opportunities

Victrex Board

The Board reviewed and approved the Group's 2030 ESG goals and has oversight of how these will be embedded and reported, whilst ensuring sustainability remains at the core of our purpose, values and strategy

Corporate Responsibility Committee ('CRC')

Formed in FY 2022, the CRC oversees the Group's conduct with regard to its corporate societal obligations and commitments. This includes overseeing and reviewing the development and execution of the 2030 sustainability strategy and commitments including progress towards targets

Victrex Management Team ('VMT')

The VMT embeds sustainability strategy target reviews into the regular performance reviews they undertake with their respective teams

Sustainability workstreams

Head of Sustainability & ESG

- | | |
|--------------------------|-------------------------------|
| 1. Sustainable solutions | 2. Resource efficiency |
| 3. Social responsibility | 4. Safety, health & wellbeing |



Summary of key focus areas

Recommendation	Response	Future actions	Further details (where relevant)
Governance			
a. Describe the Board's oversight of climate-related risks and opportunities	The Victrex Board is responsible for reviewing and guiding strategy, with sustainability embedded into our purpose and our Polymer & Parts strategy. Board oversight is led by the Corporate Responsibility Committee ('CRC'), which was established during FY 2022, meets quarterly and is chaired by a Non-executive Director. The CRC reviews progress against 2030 goals and action plans to deliver these. It also assesses ongoing environmental performance against key performance indicators. The CRC has overseen the process for identifying and assessing risks and opportunities associated with climate change. The Chair of the CRC provides the Board with an update at each Board meeting.	The Board and the Corporate Responsibility Committee will continue to challenge how the proposed 2030 goals and plans are embedded, whilst ensuring sustainability remains at the core of our purpose, values and strategy.	The key performance indicators and milestone targets are shown on page 51. Further information on the roles and responsibilities of the Board and CRC are included on page 85. The Board members' experience of climate change is included in their biographies starting on pages 78 and 79.
b. Describe management's role in assessing and managing climate-related risks and opportunities	The VMT (chaired by the CEO) is responsible for reviewing and guiding major plans of action to achieve the sustainability strategy, including required capital investment and investment in R&D supporting sustainable products. The VMT embeds sustainability strategy target reviews into the regular performance reviews they undertake with their respective teams.	The VMT will review and propose necessary actions in support of our 2030 goals, for example options towards our Carbon Net Zero (Scope 1 & 2 emissions) goal, which include alternative fuels and processes.	
Strategy			
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Climate change related risks and opportunities have been identified including those involving our products and solutions benefiting society (for example in quantified weight saving and CO ₂ reduction in Aerospace & Automotive), the cost of carbon intensity through taxation from our operations and the potential increase in the cost of energy. Victrex has used the TCFD framework of six risks and five opportunities along with the related examples to support the identification process, of which four are considered to have a high impact and likelihood.	Climate-related risks and opportunities are reviewed on a regular basis by the CRC. Further locations, those which are smaller and have a much lower impact on current and medium-term revenue growth, will be assessed for physical risks before the end of 2024 with updates made to existing assessments and mitigation plans as information and climate change modelling become more sophisticated.	Risks and opportunities, both physical and transitional, are presented on pages 55 and 56.
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	The potential climate-related benefits that our products offer present a strong business opportunity, which is considered to outweigh the climate-related risks from markets which will be adversely impacted by climate change. The benefits that our products bring are detailed in Enabling Environmental and Societal Benefits on page 45. Climate-related risks, both physical and transitional, are primarily assessed in the context of our own manufacturing operations.	The impact assessment of the identified risks and opportunities will be refreshed as part of the annual strategy review during 2023 with the aim of maturing our models for quantifying the impact.	The impact of risks and opportunities is presented on pages 55 and 56. Examples of the benefits our products bring to mitigating climate risk perspective are detailed on page 45.
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The Group believes that its Polymer & Parts strategy is resilient in a 2°C or lower scenario, primarily through: → the Group's existing products, along with its mega-programmes in Transport, support applications aimed at reducing carbon dioxide emissions and therefore assist current and future customers meeting their own requirements to reduce emissions in a 2°C or lower scenario; and → the strategy of the Group includes a clear goal to decarbonise the manufacturing process as part of achieving Net Zero. This will mitigate the impact of the Group's manufacturing processes on climate change and mitigate against the likely tightening of regulatory/government restrictions and taxes to drive down the use of carbon emitting processes.	Challenge the manufacturing process and chemistry to lower the overall energy usage, water usage and waste generation. Complete the assessment of the most climate sensitive and cost effective source of green energy to meet the future manufacturing requirements, replacing gas and non-green electricity currently used.	See pages 4 and 5.
Risk management			
a. Describe the organisation's processes for identifying and assessing climate-related risks	During the last year we have conducted an initial climate-related risk assessment using external specialist support. This included a risk assessment workshop comprising senior management from across the business to review climate-related risk over the short, medium and long-term horizons. This exercise considered both the climate-related physical and transition risks under three climate scenarios and the actions that could be taken to mitigate them. A summary of the most significant climate-related risks is included on pages 55 and 56. Climate risk will continue to be part of our overall Corporate Risk Management process. Each risk is thoroughly evaluated based on the likelihood of occurrence and severity of impact.	Continue to monitor and review climate-related risks through the Corporate Risk Management process. In addition, the CRC will provide oversight to the newly established climate-related risks including action plans and progress made.	The risk management process is described on pages 34 and 35.



Sustainability report continued

Summary of key focus areas continued

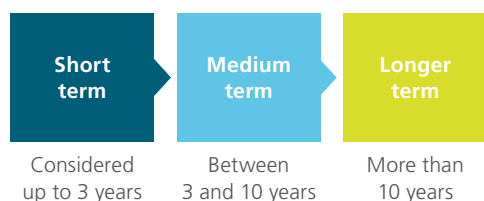
Recommendation	Response	Future actions	Further details (where relevant)
Risk management continued			
b. Describe the organisation's processes for managing climate-related risks	The CRC oversees sustainability workstreams, which includes climate-related risks. Climate-related risks are integrated into and managed alongside our corporate risk processes and principal risk profile. Each risk has a designated risk owner who is responsible for reviewing and monitoring the risk and providing the necessary oversight for the implementation and maintenance of appropriate mitigations.	Further develop the response plans for each significant climate-related risk and its interaction with the options to Net Zero by 2030 (Scope 1 & 2 emissions) and monitor progress through the CRC.	The building blocks to Net Zero (Scope 1 & 2 emissions) are included on page 5.
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Our Corporate Risk Framework (page 34) provides details of the processes used to assess and manage all risk types, including climate-related risks. We have a well-established risk impact rating methodology which we have used, along with support from external advisors, to complete initial qualitative assessments of our transitional and physical climate-related risks.	Fully establish assurance of key controls and actions related to the newly defined climate-related risks.	See pages 55 and 56 for the strategic response and resilience against the specifically identified risks.
Metrics & targets			
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	The climate-related metrics are proposed by management and agreed by the CRC. This includes the development of milestone targets on the path to Net Zero (Scope 1 & 2 emissions) by 2030.	Further refinement of metrics including setting of interim milestone targets to monitor progress towards 2030 goals, including in respect of Scope 1 & 2 emissions.	Victrex metrics and targets are set out on page 51.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks	We calculate and track Scope 1, 2 & 3 (all Scope 3 categories where relevant – see page 63) GHG emissions, including our absolute carbon emissions, and measures of carbon intensity according to the GHG Protocol Corporate Standard.	Finalisation of our Scope 3 goal is planned for FY 2023, for which we have committed to SBTi.	Emissions disclosed on pages 61 to 63.
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<p>We have established longer-term goals with associated near-term milestone targets related to climate change, which includes our aspiration of Carbon Net Zero for our own operations by 2030. Interim goals include our target of increasing our sustainable products to over 50% of revenues by 2025 (from less than 50% today).</p> <p>As set out in the Directors' remuneration report in the Annual Report for the year ended 30 September 2021, a proportion of executive remuneration will be assessed against a range of challenging carbon reduction targets.</p>	We are committed to the SBTi to start the process of science-based targets in line with the global accord to minimise global warming to 1.5°C.	<p>Climate-related metrics and targets are set out on page 51.</p> <p>Executive targets detailed are set out on page 120 and 127.</p>

Climate-related risks and opportunities

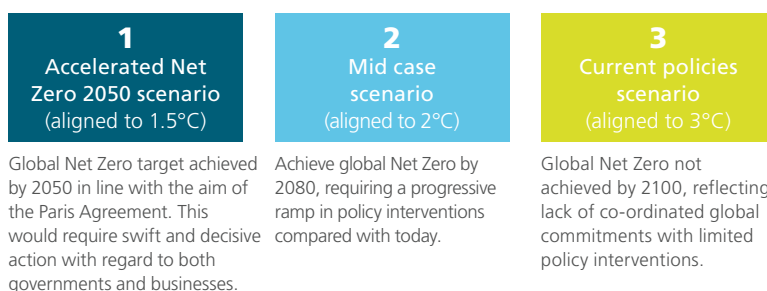
As noted above the Group has been through a detailed process to identify climate-related risks and opportunities. As required by TCFD this has included the two major climate-related risk categories and their six subcategories along with the five major categories of opportunity.

Analysis has been undertaken against each of the subcategories to identify the key risk/opportunity relevant to the Group, the financial impact of that, the likelihood of them arising both across a range of timelines and transition climate scenarios. The time horizons and climate scenarios used for the transitional risk assessment are detailed below with those used for physical risks included on page 57. Different climate scenarios and time horizons have been used to best represent the different drivers behind transitional and physical risks and opportunities.

Time horizons:



They have also been assessed through multiple transition climate scenarios:



The analysis is split into transitional and physical risks and opportunities and detailed on pages 55 and 56.

Transition-related risks and opportunities

The Group undertook a detailed exercise to identify transition risks and opportunities for consideration. Those considered to have the largest impact are included in the table below. For some risks and opportunities the time frame of impact spans multiple time horizons; where this is the case two time frames are shown to illustrate this with the impact expected to increase as the time horizon increases.

Climate-related risk/opportunity	Impact	Temperature scenario	Time frame of impact	Strategic response and resilience
Policy				
<p>Risk: The Group's energy usage is disclosed on pages 61 to 63. Increasing the pricing of carbon emissions is a key lever for governments and regulators to reduce use of hydrocarbon-based energy sources.</p> <p>Link to principal risks: Strategy execution</p>	Current sources of energy, gas and electricity could increase in cost significantly as the government drives a move away from hydrocarbons to green energy sources, with alternative sources of green energy more expensive. An illustrative impact for financial modelling purposes has been made as outlined below.	Accelerated/ Mid/Current	Medium Medium – Long	Reducing the impact of carbon-based taxes is being mitigated by both the switch to greener energy and the chemistry of the manufacturing process to reduce absolute energy usage. The Group's strategy for reducing carbon emissions is outlined on page 5. The approval of new capital projects includes consideration of the source of energy and an assessment of green energy options.
Policy, market and technology				
<p>Risk: A proportion of the Group's sales go into industries expected to decline due to climate change (driven by both government policy and consumer behaviours), including Oil & Gas and internal combustion engine based transportation.</p> <p>Link to principal risks: Strategy execution/ Geo-political and macro-economic environment</p>	Declining sales and profits as demand falls for Company's products. Approximately 18% of sales currently go into Oil & Gas and ICE related Automotive applications.	Accelerated/ Mid/Current	Medium – Long Long	Whilst Oil & Gas and ICE based transportation will reduce significantly over time, this is likely to vary by geography and take many decades. PEEK has a continuing role to play in making both industries reduce their carbon footprint in the intervening period.
<p>Opportunity: PEEK's properties play favourably in a low carbon world (see pages 10 and 11) providing opportunities to grow sales significantly as the world decarbonises and governments introduce policies and regulations.</p>	Delivery of the Group's growth programmes, which underpin carbon reduction, including lightweighting of aircraft, electrification of vehicles and increased use of Semiconductors, will lead to significant revenue and profit growth and cash generation.	Accelerated/ Mid/Current	Medium Medium – Long	The Company continues to invest heavily in its mega-programmes supporting lower carbon transportation, but also has applications in green energy and electronics which support improved energy efficiency. Within Automotive, for example, the decrease in the ICE business is expected to be slower than the increase in the EV business and will therefore provide an increased net benefit over the medium-term horizon. Success in this area is aligned to our target of growing revenue from sustainable products.
Reputation				
<p>Risk: Key stakeholders, including investors and employees, become disenfranchised with the Group's failure to deliver its Net Zero target.</p> <p>Link to principal risks: Recruitment and retention of the right people</p>	<p>Reduced interest from investors will adversely impact the Company's share price and make raising capital more difficult.</p> <p>Not being able to retain and attract talent will adversely impact the Group's ability to deliver the strategy.</p>	Accelerated/ Mid/Current	Short – Medium	The Company has established a Net Zero by 2030 target, identified key milestones and engaged key stakeholders, including investors and employees, in the delivery of the strategy. Demonstrating progress against these milestones will retain the interest of key stakeholders.
<p>Opportunity: Achieving Net Zero by 2030 presents an attractive proposition for key stakeholders, including customers, investors and employees, with increasing interest in being associated with ambitious companies delivering their commitments on climate change.</p>	<p>Increasing interest from ESG funds may boost the Company's share price and could provide greater access to capital, with financial institutions also providing more attractive access to capital for companies with green credentials.</p> <p>Attracting and retaining talent will support delivery of the Company's strategic growth ambitions.</p>	Accelerated/ Mid/Current	Short – Medium	<p>Victrex has grown its position amongst a number of dedicated ESG funds globally. It has also broadened its position in a number of external networks or industry forums as a leading advocate of decarbonising.</p> <p>The Group has sought external accreditation for its approach to climate change providing key stakeholders with assurance of its commitments to Net Zero by 2030.</p>



Sustainability report continued

Transition-related risks and opportunities continued

The overall financial impact of the above risks and opportunities has been assessed. From a revenue perspective it has been concluded that climate change presents a net opportunity for the Company, with PEEK and its current and future applications playing strongly across a number of end markets where reductions in carbon emissions are a key driver for innovation. For financial planning and scenario modelling a cautious revenue neutral position has been assumed.

The primary adverse financial impact will come from carbon pricing, should the Company fail to identify a cost effective green energy solution to replace gas as its primary source. The Board remains confident that this will be the case but the cost of implementing and running greener energy, based on current usage, can only be an estimate at this stage. The target is to mitigate any increase through improvements in the manufacturing process which facilitate operating at lower temperatures and producing less waste; however, this remains at early stages with cost increases likely to arise before the mitigation benefit. As a result the Group has assumed a financial downside from carbon pricing (covering both the potentially higher cost of green energy, or the cost of carbon taxes if this fails). An assumed addition cost of £20mpa (from 2024), increasing annually with inflation, has been included in financial planning, including the models used for impairment testing and the viability assessment, to address this risk. Further details on how this has impacted the preparation of the financial statements is included in the basis of preparation on page 146.

Physical risks

The Group has assessed the climate-related physical risks, both acute and chronic. The primary physical risk is that of increased severity and frequency of extreme weather events:

Climate-related risk	Impact	Risk	Potential financial impact
Physical: acute and chronic			
Increased frequency and severity of extreme weather events	<ul style="list-style-type: none"> → Disruption to production processes and/or loss of inventory → Loss of assets → Harm to employees → Loss of reputation for ability to supply on time in full 	<ul style="list-style-type: none"> → Employee welfare could be impacted by extreme weather ranging from impact of flooding through to heatwaves and droughts making working conditions harmful → Increases in the frequency and severity of flooding events could result in damage to production assets or loss of inventory 	<ul style="list-style-type: none"> → Loss of production resulting in loss of revenue (short term and/or long term) due to being unable to supply with customers seeking more reliable alternatives → Cost of repairing/replacing assets not covered by insurance → Increased cost of unavailability of insurance

The timelines associated with the physical risk are covered in the scenario analysis below.

The Group's primary operational manufacturing assets are located in the UK, with commissioning ongoing in China on additional capacity. The Group has a network of regional warehouses, all of which are leased which affords the flexibility of being able to readily relocate these within a short time frame where elevated risks exist or emerge over time.

The Company's ability to supply its customers has been and remains a key business priority. A key mitigation of this risk is the level of inventory, with targeted levels of three to four months' cover at each warehouse. This level is kept under review depending on the risks to global supply chains and the phasing of extended plant maintenance shutdowns at any point in time as well as the volatility in demand profiles. The risk to supply from climate change is incorporated into this consideration, but at current target levels of inventory, a temporary loss of production due to extreme weather events could be absorbed without losing the ability to supply customers.

The likelihood of extreme weather events impacting key locations is considered opposite in our scenario modelling.



2022 climate scenario analysis modelling

Climate scenario analysis ('CSA') has been performed to assist in understanding the potential impact of climate change on the future of our business which in turn will support the evolution of our strategy. The CSA was carried out using a standard methodology in line with TCFD guidance.

Climate change and its impact on weather patterns may result in physical risks to the Group's assets and employees along with those of its supply chain and customers. The Group has engaged with third-party advisors to assess the exposure to the physical risk noted above. In total nine hazard types have been assessed, including flood, wind, precipitation and drought, up to 2100 in 10-year increments.

The climate-related data used to underpin this assessment was the Shared Socio-environment Pathways ('SSPs'). SSPs are a function of greenhouse gas emissions, socioeconomic metrics and expected implementation of adaptation and mitigation measures. These correspond roughly to the Representative Concentration Pathways ('RCPs') of previous versions of the Intergovernmental Panel on Climate Change ('IPCC') report. Three IPCC climate change scenarios have been used, with a baseline of 2020:

Scenario	Near term: 2021–2040		Mid term: 2041–2060		Long term: 2081–2100	
	Best estimate	Very likely range	Best estimate	Very likely range	Best estimate	Very likely range
SSP 1-2.6 (RCP 2.6)	1.5°C	1.2 to 1.8°C	1.7°C	1.3 to 2.2°C	1.8°C	1.3 to 2.4°C
SSP 2-4.5 (RCP 4.5)	1.5°C	1.2 to 1.8°C	2.0°C	1.6 to 2.5°C	2.7°C	2.1 to 3.5°C
SSP 5-8.5 (RCP 8.5)	1.6°C	1.3 to 1.9°C	2.4°C	1.9 to 3.0°C	4.4°C	3.3 to 5.7°C

For information relating to the forward-looking climate data, our third-party advisors used Jupiter Intelligence ClimateScore.

The climate data and scenarios were used to perform an initial assessment on the Group's primary operational manufacturing sites, defined as those critical to the sustainability of our current revenue streams and those which will deliver the majority of growth over our strategic planning horizon, five years. Three sites met the criteria for inclusion in the initial assessment, all based in the United Kingdom.

For each of the three sites and for each of the nine hazard types, the following outputs from the modelling were considered:

- hazard level evolution – expressed qualitatively from 'low' to 'very high' hazard levels based on physical parameters for each hazard according to our external advisors;
- hazard value relative increase/decrease – relative change in percentage compared to the baseline 2020 value; and
- hazard value – absolute hazard value, expressed in the metric relevant to the hazard, designed to provide context to the relative increase/decrease (above), but not sufficiently detailed on which to base mitigation, i.e. design of protective structures.

With reference to the SSP5-8.5 scenario (the most severe) the majority of the nine hazard types remained 'low' across each of the three sites. For those hazards which were considered 'high' or 'very high', being wind, drought and precipitation, in the majority of cases the level was consistent with the base year and the maximum increase in the hazard level to 2050 was 10% versus the base year. By 2100 the maximum increase was 25% relative to the base year which related to precipitation but that was not sufficient to increase the flood risk hazard level from that in the base year.

The conclusion from the analysis of these three sites is that there is no material financial impact from the physical risks arising from climate change through the mid-term time horizon (2041–2060) nor well into the long-term time horizon (2081–2100) (under any of the temperature scenarios), neither directly in the working conditions for our employees nor the operational cost of the business nor the cost of insuring the Group's key assets. The analysis highlights a number of factors for the Company to consider in expanding, replacing and protecting its assets and providing a safe working environment for its employees at these sites. The incorporation of these into the future plans of the business will be monitored by the CRC.

Further work is scheduled to widen the scope of this analysis to other manufacturing sites and also through the supply chain to our strategic suppliers, focusing on those suppliers in markets with limited participants.

Financial statement impact

The impact on the financial statements for the year ended 30 September 2022 of the aforementioned risks and opportunities from climate change has been detailed in the notes to the financial statements (see note 1 for further details).



SUSTAINABLE SOLUTIONS: IMPROVING THE QUALITY OF LIFE IN PATIENTS THROUGH CUTTING EDGE MEDICAL DEVICES

Societal benefits

Victrex's sustainability (ESG) strategy, which includes a Carbon Net Zero goal by 2030 (Scope 1 & 2 emissions), encapsulates a series of bold targets to increase the proportion of sustainable products (to 70% of revenues by 2030) – which in turn supports CO₂ reduction, energy efficiency, or clinical benefits in Medical – as well as minimising the use of our own resources such as energy, water and waste. In making strides towards meeting our purpose to bring transformational and sustainable products to market which address the world's material challenges, Victrex is conceiving, developing and delivering solutions that provide societal benefits, typically replacing metal-based solutions. In the medical field, Victrex Polymer & Parts are estimated, to date, since the early 2000s, to have improved clinical outcomes for more than 15 million patients, and with our Medical business, Invibio, accounting for less than 20% of Victrex revenues in FY 2022, we have a bold ambition for Medical to become a larger proportion of sales over the next 10 years, potentially up to one third of the Group.

Victrex has a rich history in enabling customers to develop a wide range of sustainable medical solutions that are delivering life-changing outcomes to millions of patients worldwide. Specifically, PEEK's unique set of characteristics offers performance advantages in even the most hostile environments within the human body, from serious bone fracture sites to strong stomach acids.

Expanding the range of applications bringing societal benefit

Whilst solutions for the Spinal applications have been the bedrock of our offering, we're further expanding the range of applications within the human body where PEEK can deliver clinical benefit, with around 50% of divisional revenues now in non-Spine, from Drug Delivery and Cardio (including applications for artificial hearts) to Trauma and the emerging and sizeable opportunity in Knee. Indeed, the addressable opportunity for a PEEK Knee is around \$1bn, with a clinical trial over halfway through patient recruitment and making strong progress, with over 30 patients currently implanted and no clinical intervention.

Faster healing in patients

Faster healing¹ in patients is one of the cornerstones of Victrex's successes in the medical field, with PEEK-OPTIMA™ polymers from Invibio demonstrating a range of life-changing benefits when implanted into the human body. PEEK-OPTIMA™ Natural polymer was the first medical-grade PEEK used in spinal fusion surgeries, and today PEEK is the most widely used biomaterial for interbody fusion. When PEEK is put under stress or strain in the body, it behaves similarly to natural human bone², which can stimulate bone healing, and help to minimise stress shielding. When the chemical makeup of PEEK is enriched with additives, such as Hydroxyapatite as in PEEK-OPTIMA™ HA Enhanced polymer, further benefits are seen, such as the formation of new bone after surgery, and improving the quality of bone bridging^{3,4}. Similarly, carbon fibre PEEK composites offer exciting potential to patients undergoing surgery for orthopaedic trauma, by offering

fixation solutions that promote faster healing compared to other materials¹. Cranio Maxillo Facial ('CMF') is one area PEEK has been increasingly used, and indeed a recent brain study showed 25% better brain function by using a PEEK implant compared to titanium⁵.

From disposable to reusable devices

As the pharmaceutical industry responds to the global agenda for sustainability, pharmaceutical companies are seeking innovative ways to move from disposable devices to drug delivery platforms that are reusable. The next generation of reusable devices require larger volumes and more complex drugs, which bring a range of engineering challenges. Victrex's family of implantable and non-implantable PEEK polymers (for example, our materials were used in ventilators during the COVID-19 pandemic) help customers to address this by enabling less waste in the manufacturing process through the consolidation of components, and by extending the lifecycle of their delivery products.

From development to commercialisation

Ten years ago, most of our medical applications were in Spine but the emerging and growing non-Spine business offers a real opportunity to bring societal benefits in other applications. Thanks to often painstaking development work, certification and following regulatory pathways, we see real demand for sustainable and clinically beneficial solutions for the wider medical industry, which offer significant opportunities over the next decade, in the US, Europe and increasingly Asia.

References:

- 1 Jo Wilson, PhD, Matthew Cantwell; Polyether Ether Ketone (PEEK) Carbon Fiber Composites May Improve Healing of Fractures Stabilized with Intramedullary Nails. (Basic Science Focus Forum, paper #4, 2014) 155. (NB: Jo Wilson and Matthew Cantwell are Victrex employees.)
- 2 Data on file at Invibio. Mechanical Benchmark of Carbon Fiber PEEK-OPTIMA™ Ultra-Reinforced vs Ti 6Al-4V Plates Undergoing Static and Dynamic Testing per ASTM F382-99 (2008).
- 3 Study evaluated the bone on growth of PEEK-OPTIMA™ Natural and PEEK-OPTIMA™ HA Enhanced in a bone defect model in sheep. Data on file at Invibio. This has not been correlated with human clinical data.
- 4 Study evaluated the in vivo response to PEEK-OPTIMA™ Natural, PEEK-OPTIMA™ HA Enhanced and allograft in a cervical spine fusion model in sheep. Data on file at Invibio. This data has not been correlated with human clinical experience.
- 5 Zhang Q, Yuan Y, Li X, et al. A Large Multicenter Retrospective Research on Embedded Cranioplasty and Covered Cranioplasty. World Neurosurg. 2018;112:e645-e651.





Sustainability report continued



RESOURCE EFFICIENCY

Resource efficiency

Beyond our products playing a role in a better society, or having recyclability potential in applications, we also have clear goals to improve our resource efficiency, including reductions in energy, waste and water usage. Energy usage will continue, in the short term, to be driven by production volumes, as will water with this year being higher due to the year on year comparisons with normalised levels of production compared to FY 2021 when significant inventory, built up for Brexit, was unwound as well as the lower production through the pandemic.

However, we note that our carbon intensity (Scope 1 & 2 emissions/tonnes of PEEK manufactured) decreased by 4% this year. Thanks to improvement programmes, water usage per unit revenue has also reduced by 5% over the past five years. We have increased how we measure energy, waste and water usage within our business and expect to add some further quantification over the years ahead. We remain focused on controlling these impacts and, as we grow, are committed to continual improvement. Our priorities remain the efficient use of energy and water and waste minimisation and we are proactively focusing on improvement in these areas.

Pleasingly, we will be reporting on all our relevant Scope 3 emissions (indirect emissions from formulation of and transport of goods that are supplied to us, prior to manufacture) from FY 2022. Whilst peer data is difficult to fully track, our own internal assessment suggests VICTREX™ PEEK, with its own upstream integrated monomers and the fact we are using 97% global renewable electricity in our own operations, has a favourable sustainability profile against competitor products, most of which operate on non-renewable electricity in other jurisdictions. Our new PEEK facility in China is also now included in our Scope 1 & 2 data. Commissioning will take place through FY 2023, ahead of commercial operations and 'normalised' production. We will be spending most of FY 2023 commissioning this project which will add further to our GHG emissions data once fully operational.

Improvement programmes

With a Continuous Improvement ('CI') team in place, we continue to assess opportunities across our resource efficiency area that haven't already been implemented. These include in recycling, energy usage, waste and water. Several improvement programmes have already delivered ongoing benefits, saving over 200 tonnes of CO₂ during FY 2022 by:

→ increasing polymer powder batch size;

→ increasing production line speed; and

→ removing the caustic wash cycle.

We have also commenced a major project at our UK Hillhouse site to improve energy metering enabling us to have more granular energy use data.

Principal environmental impacts

The Group's main environmental impacts are set out in the charts on page 61 and are different from the Group's overall greenhouse gas ('GHG') emissions (on pages 62 and 63). These show energy use, water use and waste from our main UK production sites. These production sites have the biggest potential environmental impact (consuming 98% of energy for the Group).

We report data per unit of revenue to best align our indicators with our Polymer & Parts strategy as we move downstream into more specialised manufacturing with a varied product mix, along with absolute data to demonstrate our total impact. Over recent years, targeted improvement programmes have resulted in lower energy and water efficiencies per unit of plant output. Environmental indicators have benefited from lower sales volumes.

Our GHG report (updated in line with the UK government's new policy on Streamlined Energy and Carbon Reporting ('SECR')) includes our corporate CO₂ emissions by emission type (Scope 1 emissions generated by the direct combustion of gas; Scope 2 emissions from purchased electricity and steam; total energy used; and Scope 3 emissions indirect from other sources). Absolute emissions data is reported along with Scope 1 & 2 emissions per unit revenue.

Assessment & measurement

Victrex has increased its participation in a range of external ESG benchmarks, beyond our own disclosures in this Annual Report. A selection of these are shown on page 50. For example, we have a long-standing participation in the Carbon Disclosure Project ('CDP'), which benchmarks global companies and has recognised our efforts in this area. MSCI, one of the leading ESG rating agencies, FTSE Russell and EcoVadis are other organisations that assess our performance.

Compliance

Victrex continually seeks to be compliant in our environmental and operating performance. Working with global regulatory authorities, we make sure that the best available techniques to protect the environment are adopted. Our UK chemical production

plants are regulated under Environmental Permitting Regulations and, as such, are subject to regulatory review by the UK Environment Agency. We carry out extensive routine monitoring in line with our environmental permits, to proactively ensure our plants are well controlled with zero notifiable permit breaches during the year.

UK Emissions Trading Scheme ('UK ETS')

Whilst in absolute terms for the chemical industry, Victrex's emissions are low, the 21-stage process of manufacturing PEEK polymers compared to other polymers (typically with less than 10 stages) means Victrex holds a Greenhouse Gas Permit under the UK ETS scheme, covering the combustion of fuels at its UK Hillhouse polymer production site. Verification of emissions covering August 2021 (entry to the scheme) to December 2021 was undertaken via a registered third party and a submission made to the Competent Authority (UK Environment Agency) in April 2022. Victrex plans to make an application to join the Hospital and Small Emitter scheme in 2023 to reduce its exposure to fluctuations in carbon pricing by being granted several free allowances, backdated to cover 2021 and 2022 emissions.

During the year we successfully retained our ISO 14001:2015 certification for the environmental management system on all our UK polymer manufacturing plants, melt filtration, compounding, film, tape, pipe, dispersion and innovation plants, validating our high level of commitment to environmental improvement. Victrex has an effective system for reporting and investigating incidents and near misses. In the period there was one reportable incident.

PEEK recycling

When recycled appropriately, PEEK is a valuable resource whose waste may be reused without compromising on its performance. Victrex has completed a project to identify how we can recycle PEEK (PEEK from end of life applications) even more efficiently and provide a recycling service to our customers. We have developed the potential of partnering with an existing Value Added Reseller ('VAR') customer to recycle and retrieve PEEK waste as part of its ongoing commitment to sustainability and circular economy.



Energy use

Our energy use is reported mainly from our UK manufacturing sites, in line with our 2030 goals being based on our 2019 manufacturing footprint.

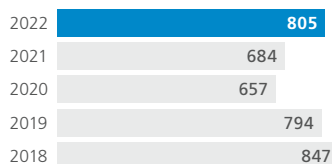
Energy data is based on meter readings and/or invoices.

With higher production volumes vs FY 2021 (FY 2021 saw the unwinding of sales inventory), absolute energy increased.

Primary energy per unit revenue has increased as production volumes this year are higher year on year, with revenue being impacted by a currency headwind, and the lag in recovering the higher cost

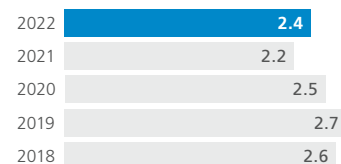
Primary energy

Thousands GJ



Primary energy per unit revenue

Thousands GJ/£m



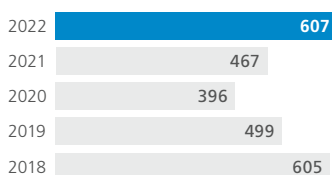
of manufacture through customer price increases, which we expect to become annualised in FY 2023.

Water

Our main manufacturing assets within the UK and US are all located within areas of low or very low water stress*. For FY 2022, we started participation in the CDP water disclosure programme and note that our water usage per unit revenue has decreased by approximately 5% over the last five years, principally because of operational improvements to our processes and a focus on water and resource efficiency. Water usage per unit revenue increased by 20% with water usage higher due to increased production volumes (FY 2021 saw much lower production volumes as we unwound inventory built up for Brexit).

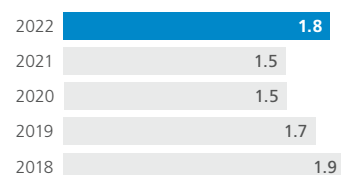
Water usage

Thousands m³



Water usage per unit revenue

Thousands m³/£m



* UK Environment Agency Flood Risk Assessment; Rhode Island Statewide Planning and Grantsburg site 2021 Insurance Risk Assessment.

Waste

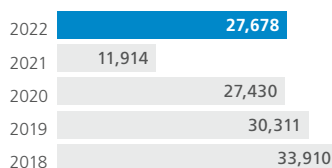
Victrex works closely with licensed waste service providers to ensure that waste is recovered, recycled or disposed of with minimal environmental impact.

Our manufacturing assets used to produce PEEK provide us and our customers with security of supply; however, using our own ingredients and raw materials means that we do produce some hazardous waste due to the nature of our processes. This is primarily in our monomer production assets within the UK (Rotherham and Seal Sands). We are currently assessing options that could reduce this type of waste within our process and have committed a small proportion of our Research & Development expense accordingly.

During FY 2022, waste disposed to landfill increased due to higher production and from the disposal of waste stored up during the COVID-19 pandemic. We completed a full waste mapping exercise and are working with our waste suppliers to identify areas of improvement. This also includes options which could reduce our

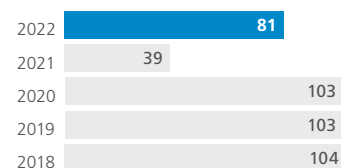
Hazardous waste produced

Tonnes



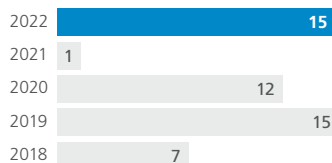
Hazardous waste produced per unit revenue

Tonnes/£m



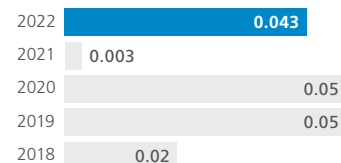
Hazardous waste disposed to landfill (after treatment)

Tonnes



Hazardous waste disposed to landfill (after treatment) per unit revenue

Tonnes/£m



waste to landfill to zero. We also note that from our original target of 50% of hazardous waste to be reduced by 2023 (a 2013 target), we saw a 48% reduction in waste per £m revenue.



RESOURCE EFFICIENCY CONTINUED

Greenhouse gas ('GHG') emissions

Our GHG report has been completed following the guidance within the UK government regulations on Streamlined Energy and Carbon Reporting ('SECR') introduced in 2019.

Emissions have been calculated based on the GHG Protocol Corporate Standard with all emissions reported being within FY 2022. We include emissions from our owned and leased assets that we are responsible for in the UK and overseas, which includes our manufacturing plants, technical centres and offices. No material Scope 1 or Scope 2 emissions are omitted, and national and regional emission conversion factors have been used.

In FY 2022 we established a clearer view of our Scope 3 emissions by conducting a thorough analysis of the following indirect value chain emissions identified as relevant to Victrex globally:

1. purchased goods and services;
2. capital goods;
3. fuel and energy-related activities;
4. upstream transportation and distribution;
5. waste generated in operations;
6. business travel;
7. employee commuting; and
8. investments.

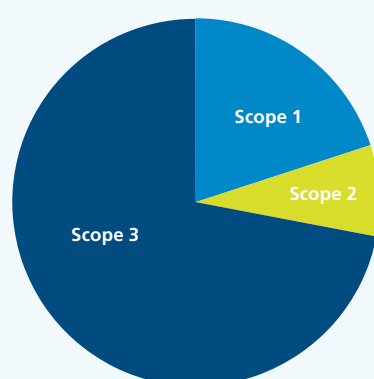
Our GHG emissions are primarily from gas combustion and electricity use on our chemical production plants in the UK, with an approximately 50/50 split. Victrex has made strong progress, with a stated aim of using 100% renewable electricity across all our global sites by the end of 2024. Currently, 100% of electricity purchased for our UK sites is from renewable sources, with 97% globally. This is in the form of Renewable Certificates or a limited amount of our own renewable (solar) generation, which we have the opportunity to expand. We note that with

the current significant inflation in energy costs, and the premium already existing in the market for renewable procured electricity, the cost to Victrex of continuing to purchase renewable energy will only increase on a medium-term view. Emissions from our downstream manufacturing facilities in the US and the UK continue to be included but are relatively immaterial. Additionally, emissions from our overseas technical facilities and offices are small compared to production activities.

Pleasingly, our Intensity Measurement, based on Scope 1 & 2 emissions/tonnes of PEEK manufactured, decreased by 4% vs FY 2021, continuing a general trend seen since FY 2018. Direct emissions (Scope 1) increased due to higher production volumes whilst indirect emissions from electricity used (Scope 2) increased, although we note a general reduction trend over the past five years.

Victrex GHG emissions based on Victrex financial year 2021/22

Tonnes of CO₂e equivalent 2022 from PEEK manufacture and downstream products.



Scope 1: 20%
Scope 2: 8%
Scope 3: 72%

SCOPE 1

Direct emissions resulting from combustion of fuels Tonnes CO₂e

2022	25,232
2021	20,161
2020	18,241
2019	23,820
2018	25,499

SCOPE 3**

Other indirect emissions across eight categories as listed above Tonnes CO₂e

2022	91,215
2021	Previously disclosed (limited categories)
2020	Previously disclosed (limited categories)
2019	79,747**
2018	Previously disclosed (limited categories)

SCOPE 2

Indirect emissions resulting from electricity and steam purchased (location-based method) Tonnes CO₂e

2022	10,673
2021	8,293
2020	9,212
2019	11,065
2018	12,722

**INTENSITY MEASUREMENT
SCOPE 1 & 2**

Tonnes CO₂e/tonnes of PEEK manufactured

2022	7.79
2021	8.13
2020	9.87
2019	8.86
2018	8.32

** Scope 3 emissions for FY 2019 were the baseline for our full Scope 3 assessment covering the eight relevant categories to Victrex. FY 2022 Scope 3 emissions have been calculated on the same basis. The other years have been reported on as part of prior year disclosures based on a more limited number of Scope 3 categories, and are not shown here to minimise an inaccurate comparison. Future Scope 3 disclosures will now cover the full eight categories relevant to Victrex.



Global GHG emissions and energy use data

	2021	2022
Scope 1/tCO₂e		
Global	20,161	25,232
UK	19,953	24,978
Global (excluding UK)	208	254
Scope 2 (location based)/tCO₂e		
Global	8,293	10,673
UK	7,511	8,490
Global (excluding UK)	782	2,183
Scope 2 (market based)/tCO₂e		
Global	1,980	3,012
UK	1,088	830
Global (excluding UK)	892	2,182
Gross Scope 1 & Scope 2 (location based)/tCO₂e		
Global	28,454	35,905
UK	27,464	33,468
Global (excluding UK)	990	2,437
Energy consumption/MWh		
Global	140,843	171,362
UK	138,676	166,171
Global (excluding UK)	2,167	5,191
Intensity ratio/tCO₂e		
Gross Scope 1 & Scope 2/Tonnes of PEEK manufactured		
Global	8.13	7.79
Methodology		
Based on GHG Protocol Corporate Standard		

NOx (oxides of nitrogen reporting)

Pleasingly, our operations emit well below our environmental permits threshold levels of 100 tonnes per annum.

During the past 12 months, 11 tonnes of NOx (expressed as NO₂) were generated from our principal manufacturing sites directly in the manufacture of PEEK. This was calculated using monitoring data and assumptions around plant availability and actual operational periods.

Lifecycle Analysis

Lifecycle Analysis ('LCA') is the process of measuring the environmental impact of a product or service throughout its lifecycle – from cradle to gate – and this year we have completed LCAs on key products which represent nearly two thirds of revenues (63%). We plan to conduct LCAs on a small proportion of additional key products over the next three years, ensuring our wider portfolio is covered.

The process involves measuring the impacts of each part of the process such as energy used in production or additional processing, and in inbound logistics. This helps us compare between products, materials and methods used, providing useful information by which to make decisions that could help the environment and provides an understanding of our total carbon footprint for us and the carbon footprint of our products for our customers.

Our LCA – which followed and was compliant with ISO 14040/44 – has identified that the total global warming potential for PEEK is 13kg CO₂e/kg of PEEK. This is based on KPMG's assessment which includes production, raw materials and parts, and inbound logistics, and uses 100% Victrex made BDF (though we do purchase a minority of non-Victrex-made BDF). Our own internal assessment, particularly when considering the lower renewable energy mix in countries producing PEEK for competitors and despite the increased number of steps in our process, 21 vs 10 typically, suggests this is much more favourable than our competitors, and the average for PEEK manufacturing, though PEEK reporting by competitors is combined within their broader portfolio reporting. PEEK's global warming potential ('GWP') is also nearly three times lower than titanium*.

Overall, the LCA enables us to consider future opportunities for further environmental improvement, including:

- installation of further isolation meters to accurately record usage data;
- developing a standard approach and repository for the collation of LCA data; and
- working with suppliers as part of the indirect impacts we have on the environment.

* Norgate, Jahanshahi and Rankin – Journal of Cleaner Production 2007.

Scope 3 emissions assessment Total carbon footprint:

28kg

CO₂ per kg of PEEK manufactured

Scope 1, 2 & 3 (8kg CO₂ per kg of PEEK based on Scope 1 & 2 only)

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain. Scope 3 emissions include all sources not within an organisation's Scope 1 & 2 boundary.

This year we completed a Scope 3 assessment across all eight relevant categories, using pre- and post-COVID-19 FY 2019 and FY 2022 data.

This was across the eight topics identified as relevant to Victrex globally, by setting up individual workstreams for each one, gathering the data then calculating the carbon footprint for each topic to identify the total Scope 3 emissions.

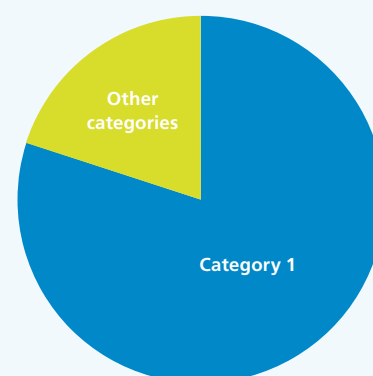
The assessment identified a Scope 3 figure of 79,747tCO₂e and gives a total pre-COVID-19 FY 2019 carbon footprint figure, Scope 1, 2 & 3, of 114,632tCO₂e. When combining this with the FY 2019 volume (production volume) this equates to a figure of 26kg CO₂e/kg. It should be noted that in FY 2019 we produced more than sales volume due to building inventory ahead of Brexit.

Our FY 2022 Scope 3 figure was 91,215tCO₂e and gives a total post-COVID-19 FY 2022 carbon footprint figure, Scope 1, 2 & 3, of 127,120tCO₂e. When combining this with the FY 2022 volume this equates to a figure of 28kg CO₂e/kg. In FY 2022, production volume was similar to sales volume, reflecting the normalisation of production.

Overall, our Scope 3 analysis has provided us with the following opportunities:

- work with key suppliers to identify carbon reduction opportunities;
- switch to biofuels as a source of energy for the combustion-based activity;
- switch to renewable electricity; and
- encourage employee commuting using electric cars with zero GHG emissions.

SCOPE 3 EMISSIONS BASED ON FY 2022:



Category 1: 80% – Purchased goods and services.

Other categories: 20% – capital goods, fuel & energy (not in Scope 1 & 2), upstream transportation, waste generation, business travel, employee commuting and investments.



RESOURCE EFFICIENCY CONTINUED

Options to enable Carbon Net Zero

A key focus area will be the use of alternative fuels and alternative process technology to minimise our GHG emissions. For example, we have been lobbying local MPs in the UK, engaged with the UK Business Minister and been active in local enterprise partnerships for the opportunity to gain access to hydrogen through proposed grids within the UK, including those planned in the North West of England, close to our main polymer manufacturing centre.

We have also increased the capital required in our capital expenditure plans to support alternative fuel use or process technology (whilst noting the increased operating expense of alternative fuels). We are also allocating a small but growing proportion of R&D investment in support of alternative processes, including work with universities.

Several key projects have been proposed that could be of interest including:

- electrification of production equipment;
- alternative fuel to generate steam for process heating; and
- bio-methane and renewable self-generation options.

We have also been investigating the use of alternative fuels:

- hydrogen –
 - Green Hydrogen via PEM (Electrolysis) and renewables;
 - Blue Hydrogen via Steam Reforming and Carbon Capture; and
 - hydrogen (20%)/methane blend schemes being piloted;
- biofuels –
 - Green HVO (drop-in bio-diesel replacement);
 - Biomass (sustainable wood chip); and
 - AD Biogas Sources (Anaerobic Digestion); and
- carbon capture – a range of projects that we are currently engaged with.



Carbon offsetting

Whilst Victrex will consider the opportunities from carbon offsetting, we currently view this as a very small part of achieving our goals.

REACH

Following the UK's withdrawal from the EU and the subsequent transition period, the EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals regulations) Regulation has been brought into UK law under the European Union (Withdrawal) Act 2018. REACH, and related legislation, has been replicated in the UK with the necessary changes to make it operable in a domestic context. The key principles of the EU REACH Regulation have been retained. The new domestic regime is known as UK REACH.

UK REACH, implemented 1 January 2021, is a regulatory requirement for the chemical industry and Victrex has well-established processes in place to comply with it. We regularly monitor and review to ensure that raw materials involved in our manufacturing process are compliant and that REACH will not adversely impact on security of supply, which is important both for Victrex and for our customers who are focusing on long-term demand.

Supply chain and energy sourcing

With increased globalisation and concerns from customers around energy sourcing, Victrex continually seeks to ensure it has robust security of supply for customers.

The majority of BDF – one of the key monomers used to manufacture PEEK – is manufactured in our own operations within the UK. The remainder is sourced from Asia through several contractual sources. With the conflict in Ukraine, we engaged with a range of stakeholders to reassure them that no raw materials were sourced from Ukraine, or Russia. Indeed, sales to those countries totalled <0.1% prior to the Ukraine conflict starting.

Currently, our raw material sourcing other than BDF is primarily from Europe, with Asia and the US also hosting our strategic suppliers. For energy supply, most of our production is in the UK, so we procure energy on UK based contracts, whilst noting the unprecedented increase in UK energy costs (primarily gas and electricity used in our heating processes), as the UK has to compete for global gas supplies at high prices. Energy and raw material hedging is one aspect of our planning, though with the conflict in Ukraine moving energy costs to unprecedented levels, the focus remains on recovering input cost inflation through efficiency and primarily price increases to customers.



SAFETY, HEALTH & ENVIRONMENT

Occupational safety, health and environment ('SHE')

The occupational safety and health of all our employees, along with contractors and visitors to our sites, remains the highest priority for Victrex and is fundamental to everything we do.

This year we have continued to protect our people from the COVID-19 pandemic by acting swiftly based upon our previous experience whilst always following local and national guidance and ensuring that robust controls are in place within each Victrex location. We saw a Return to Site in our global locations, with the UK, the US & Europe working at sites for our office-based employees, supported by our Flexible Working Policy. With further lockdowns during the year in China and restrictions still in place in Japan and Korea, progress to a full Return to Site has been slower. We also encouraged take-up of vaccines at local level across our geographic locations, with a continuation of COVID-19 related information via our Global COVID-19 Committee and internal communication channels.

FY 2022 saw the continuation of our zero incidents and zero accidents SHE culture improvement programme and we have:

- completed the first phase of our process safety management improvement programme and conducted external assurance across all our high hazard sites;
- launched employee toolkits to reinforce our SHE golden rules; and
- continued to embed the SHE accountability framework and improved employee awareness of mental health and wellbeing issues by completing prevention and intervention workshops.

Results from our annual SHE survey in July 2022 showed an improvement in our culture engagement score. The survey revealed that 94% of respondents (FY 2021: 82%) believe achieving zero incidents and zero accidents is possible if we all do the right thing and understand what they need to do to keep both themselves and their colleagues safe from harm.

Recordable injury frequency rate	FY 2020	FY 2021	FY 2022
Total number of recordable injuries	12	6	4
Total hours (employee and contractor)	1,854,529	1,690,374	3,854,016
Frequency rate	1.3	0.7	0.2
OSHA benchmark	1.7	1.9	1.4

Frequency rate = total number of recordable injuries x 200,000/total number of hours worked (employee and contractor).

Lost time injury frequency rate	FY 2020	FY 2021	FY 2022
Total number of lost time injuries	7	4	2
Frequency rate	0.8	0.5	0.1
Total hours (employee and contractor)	1,854,529	1,690,374	3,854,016
OSHA benchmark	0.6	0.6	0.8

Frequency rate = total number of lost time injuries x 200,000/total number of hours worked (employee and contractor).

SHE KPIs

Our FY 2022 performance continued to show a reduction in both our recordable injury frequency rate ('RIFR') and our lost time frequency rate ('LTFR'). We remain well below the OSHA industry standard RIFR rate (1.4) and LTFR rate (0.8).

Our recordable injury frequency rate has reduced by 71% from 0.7 to 0.2 and our lost time frequency rate has reduced by 80% from 0.5 to 0.1.

The success of our zero incidents, zero accidents ambition relies on us all behaving in the right way and doing the right things regardless of our role. This enables us to continue to grow a productive, successful and environmentally responsible business where we are all able to go home without harm.

Our goal is to be an organisation where whoever we are and whatever we are doing, the three questions at the forefront of our mind are always:

Am I taking care? Is it safe? Am I doing the right thing? Because for every one of us Safety Starts with Me.

China

Our new China manufacturing subsidiary in Panjin ('PVYX') has recorded over 1.7 million hours since the project commenced, with no recordable injuries in FY 2022. Data on performance during construction is shown below:

PVYX employees	FY 2022
Hours worked	181,680
Recordable injuries	0
Total RIFR	0
Reportable environmental	0
High potential incidents	2

PVYX project contractors	FY 2022
Hours worked	726,416
Recordable injuries	0
Total RIFR	0
Reportable environmental	0
High potential incidents	n/a



Sustainability report continued



SOCIAL RESPONSIBILITY

Our social responsibility area focuses on inspiring our employees and communities to positively impact our chosen UN Sustainable Development Goals:

- Good Health and Wellbeing;
- Quality Education/STEM; and
- Diversity, Equity and Inclusion.

Permanent employees (as at year end)

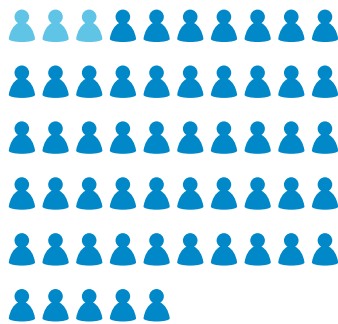
IN 1993

60

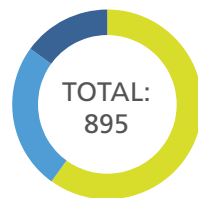


IN 2022

1,093

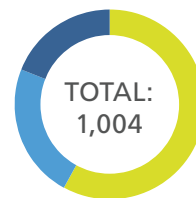


Average number of people employed during the year, by category



IN 2021

Make	541
Develop, market and sell	224
Support	130



IN 2022

Make	586
Develop, market and sell	230
Support	188

Gender pay

For Victrex, diversity, equity and inclusion are all central to our 2030 sustainability strategy, with targets specifically focused on measuring the effectiveness of interventions to support female progression within our organisation. In 2022 we established a new Corporate Responsibility Committee chaired by a Non-executive Director, Jane Toogood, 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 delivering our strategy and Company priorities.

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 employees, 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 (as an entity employing >250 people) 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 in 2017.

Snapshot headlines

- There were 633 relevant people employed on full pay.
- 79% were male and 21% female.
- 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.

→ 88.05% of males were paid a bonus, compared with 80.00% of females.

→ The proportion of male vs female employees in each of our pay bands was split as follows:

- Lower quartile – 64.46% male vs 35.54% female.
- Lower middle quartile – 89.16% male vs 10.84% female.
- Upper middle quartile – 84.94% male vs 15.06% female.
- Upper quartile – 78.18% male vs 21.82% female.

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 jobs 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 on 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. Shift premiums are paid where roles require employees to work shifts and unsocial hours, which at Victrex is predominantly those directly involved in the manufacturing operation, of which the majority are male. 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 of 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 (based on FY 2021 and including the bonus payout) 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 who 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; and
- 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 pay out, 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

We continue to sponsor our Diversity, Equity & Inclusion agenda ('DE&I'), with support from our Head of Learning and Inclusion. 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 as balanced a 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 these groups.

In the past year, we have also:

- 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;
- created a UK gender engagement network 'Thursdate' where female and male colleagues share personal and work experiences offering internal support to women in the workplace; and
- embedded the global flexible working policy with more women taking up flexible working opportunities than before.

Trends

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.

Summary

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.

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.





SOCIAL RESPONSIBILITY CONTINUED

Diversity, Equity & Inclusion

The progress towards our target of achieving 40% of females in our leadership group by 2030 (increasing from 10% in FY 2021 to 19% in FY 2022) has been achieved through promotions and targeted talent development, with coaching and mentoring being at the core of the support.

Through the focused direction of our Strategic Inclusion Group ('SIG'), our diversity agenda continues to develop with more employees being actively engaged. We carried out our first diversity data collection exercise globally this year, giving us insight into the diversity of our employee base. This has enabled more targeted support throughout FY 2022.

Our Global Flexible Working policy continues to embed with more employees requesting variations to their working patterns. The female take-up of flexible working hours is higher than male, with 75% of those taking up formal flexible working hours being female. This year's requests, however, had 45% of requests coming from males and 55% from females so we are seeing a greater take up. When it comes to purchasing additional holidays this year 51% of the requests have come from males.

The introduction of an applicant tracking system for recruitment has given us more detailed analysis of who is applying for jobs at Victrex. This, and the work we are doing with recruitment agencies, is ensuring that we are beginning to target more closely a diverse applicant base.

We continue to give full and fair consideration in our recruitment and selection process to any applicant with a disability. For disabled persons employed by Victrex, be that upon commencement or who become disabled during their employment, Victrex is committed to ensuring equality of opportunity for training, career development and promotion opportunities. We are registered with the UK government's 'Disability Confident' scheme and demonstrate this commitment globally.

We have rebranded from Inclusion and Diversity to Diversity, Equity & Inclusion to reflect more accurately the focus of our work and giving everyone fair and equitable treatment, access and opportunity, across all aspects of their working life at Victrex. Pleasingly our Employee Experience Survey identified a 9% increase to 77% of employees believing that Victrex appreciates individual differences.

Progress in FY 2022

→ Facilitated the internal delivery of the #iamremarkable campaign, focused on empowering women and other under-represented groups to celebrate their achievements in the workplace. Over 170 employees engaged and participated in the training.

→ Continued to engage our employees globally through our Gender Engagement Networks ('GEN'), with over 120 employees now actively participating in the network as well as supporting the delivery of several workshops internally focusing across a range of Inclusion and Diversity topics: trans, unconscious bias and building your personal brand.

→ Piloted a workshop on creating an inclusive workplace which is now being rolled out to managers.

→ Created a library of resources to help support our Diversity, Equity & Inclusion by educating employees on topics such as neurodiversity, gender, menopause and allyship. This included an internal campaign throughout July to highlight 'PRIDE' and the LGBTQ+ communities.

→ Continued to support our mentoring programmes with the focus on under-represented groups; in addition, we have launched a pilot for our reverse mentoring programme.

→ Promoted several global awareness days across the business: Movember; International Women's Day; International Men's Day; and PRIDE – including a trans education session held by one of our employees.

In addition to our internal activities, we have continued to focus on developing a diverse future workforce through activities within our local communities:

→ as part of International Women's Day, we delivered a workshop aimed at breaking down gender stereotypes within STEM careers. This reached over 160 young female students. In addition, we delivered virtual and face-to-face workshops for over 60 women of different ethnic minorities, to promote STEM careers and dispel the myths around women in STEM; and

→ participated in the UK social mobility initiative 'Kickstart' bringing young people aged between 16–25 who are defined as NEET (Not in Education, Employment or Training).

Employee breakdown

At the end of FY 2022, 56% of our Board were male and 44% were female. 40% of our senior managers were female*. In the grouping of senior managers and their direct reports, 66% were male and 34% were female. Of the rest of our employees 78% were male and 22% were female.

As of 30 September 2022:

	Male	Female	Grand total
Board of Directors	5	4	9
Senior managers*	3	2	5
Senior manager and direct reports**	29	15	44
Rest of employees	811	235	1,046

Grand total			
Permanent employees (incl. Executive Directors)	843	250	1,093

* VMT members excluding the Board Directors. VMT members are listed on pages 88 and 89.

** VMT and direct reports.

Recognition

We continue to be proud of our recognition programmes, celebrating the achievements of our employees through 'instant' and 'functional' awards, our Above & Beyond Awards, our annual CEO Awards which recognise the global talent across Victrex and our Professional Development Awards celebrating those of our employees completing further education to gain a qualification.

In FY 2022, there were 325 Above & Beyond Awards, 83 Functional Excellence Awards, 65 CEO Awards and 89 Professional Development Awards.



Involvement and culture

We continue to offer a range of communication channels, both formal and informal, allowing us to ensure that our employees remain informed of business updates and two-way discussions take place:

- we have seen a return to face to face in addition to our virtual quarterly staff briefings this year, following the worst impact of the COVID-19 pandemic. These sessions allow our employees to 'stay in touch' with our leadership team and hear about business updates;
- Brendan Connolly, our Workforce Engagement Non-executive Director, has been meeting with our employees globally to listen to employee voice, explore views and drive employee engagement. We have had excellent feedback from our employees on the interactions with Brendan. His third annual report can be found on pages 92 and 93;
- following our 2022 Employee Experience Survey we have been focused on reviewing the results and creating and delivering action plans to drive improvements. 83% of our employees believe that they work together well as a team, which is an improvement of 28% from our 2020 survey. We have also seen an increase from our 2020 survey to 52% (+5%) of employees believing that we will act on making improvements. Our Victrex Engagement Steering Team ('VEST') continues to drive progress and action; and

→ our quarterly regional Employee Forums continue to give our employees an opportunity to feed back on broader employee experience and provide an employee view to planned business initiatives and projects.

Next year will see a continuation of our engagement activity, to continue to ensure employee voice is embedded within our culture, built on innovation and delivering with speed and service.

Development

Victrex continues to focus on digitising learning, making it easier to access for all employees. We have seen an increase in engagement through online e-learning platforms as well as an increase in the overall upskilling and training across the business. The post-COVID-19 world has seen a resurgence of more face-to-face seminar-based learning. This includes an increase in safety training within our Integrated Supply Chain team – Victrex supported over 50 employees in completing their IOSH accredited qualifications throughout FY 2022.

We continue to support apprenticeship development for new and existing employees with a total of 63 apprentices being supported in FY 2022. We have also developed and launched our new graduate development programme which sees a structured approach to bringing in graduates to the organisation.

In FY 2022 we had 49 (40M:9F) employees on apprenticeship programmes including 5 (3M:2F) employees completing their qualifications. Employees across Victrex have completed 19,274 hours of learning in FY 2022.



Sustainability report continued



SOCIAL RESPONSIBILITY CONTINUED

Wellbeing

The safety, health & wellbeing of our employees continues to be our highest priority and fundamental to everything we do at Victrex. In FY 2022, with the continued embedding of our flexible working policy we have seen many of our 'non-manufacturing' employees undertaking hybrid working. We continued to monitor and adapt to the impact of COVID-19, with sensible controls and processes to ensure continuity of daily operations at each location.

Our Employee Experience Survey in 2022 reported that employees continue to feel that Victrex is genuinely interested in their wellbeing (an increase of 11% to 76%) and that they can talk openly with their line manager about health and wellbeing issues. The survey also indicated that due to the initiatives we have introduced, our managers are more confident to recognise the signs of mental health awareness in their teams and know what to do if a team member is facing mental wellbeing challenges.

In April we held our annual Global SHE Week, which took place in line with the ILO 'World Day for Safety and Health at Work 2022'. Our employees were involved in the content and activities taking place during the week, centred around being given time to focus on healthy body, healthy mind and healthy eating. We held virtual workshops on Mental Wellness Training & Awareness for people managers, and Stress Management and Mental Health for all employees. Across our global sites we held in-person activities including engagement sessions with manufacturing teams, financial wellbeing, exercise classes, relaxation sessions, as well as providing healthy food during the week.

We continue to build digital resources and toolkits accessible year-round for all our employees which included articles which focused on a variety of topics including grief, mental health, digital wellbeing, surviving long-term illnesses and women's health, some of which were shared personal stories from our employees, which led to valued conversations and collaboration across all our sites. We continued to support Movember and in November 2021, several employees took part in a challenging long-distance endurance challenge to raise money and awareness and raised over £9,390.

In addition, we continue to provide occupational health, private medical and employee assistance programme services to all our employees. We are committed to improving employee wellbeing and engagement with a healthier and more inclusive culture and aim to continue

building on the foundations from this year to ensure improvement in the safety, health and wellbeing of all our employees.

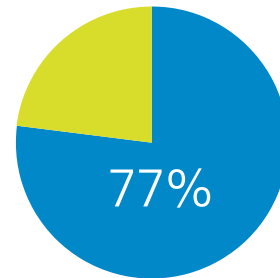
Community volunteering

Inspiring the next generation of talent continues to be a key focus for Victrex. Throughout FY 2022 we continued to support the communities where we operate. This includes consulting and discussing with these communities on the long-term benefits from partnering with Victrex and where our support can be most valued. We continue to develop our global network of Social Responsibility Ambassadors aimed at increasing community volunteering (and consultation) across each region, as well as engaging our global workforce in our community agenda.

- Our team of STEM Ambassadors continues to increase year on year with 52 (+18%) employees now engaged in the STEM Ambassador programme.
- During FY 2022 our educational activities impacted over 3,200 young people across 102 activities with a total of 1,500+ hours focused on inspiring the next generation in STEM.
- Our employees have volunteered a record-breaking 4,784 hours in the communities where they live and work this year. Since 2020, our employees have dedicated a cumulative total of 10,913 hours to community activity, meaning we have already achieved our 2030 milestone target of 10,000 hours.

Throughout FY 2022 we have continued to support community initiatives including:

- UK government led National Apprenticeship Week 2022 – Victrex ran three 'Careers Workshops' during the week for schools in the UK;
- UK Enterprise Advisor Programme focused on engaging with local schools to help develop their career programme offerings as part of our Cornerstone Employer membership. We have five Enterprise Advisors (+67% from FY 2021);
- continued membership with Business in the Community ('BITC') focused on improving our efforts as a responsible business, including 'Pride of Place', a unique public, private and voluntary sector partnership that has come together to promote economic development and tackle deprivation;
- new and continued relationships, to develop our STEM outreach offering, with organisations such as STEM Learning, Speakers for Schools, Careers

Participation in employee share schemes

2022	2021	2020	2019	2018
77%	89%	90%	93%	95%

Note: Excludes employees with a tenure less than a year.

8%

Voluntary employee turnover

2022	2021	2020	2019	2018
8%	7%	4%	5%	5%

& Enterprise Company, SIP, Career Ready and Catalyst Science Discovery Centre;

- collaboration with Speakers for Schools, SIP, Career Ready and STEM Learning to support a range of UK-wide networking groups aimed at inspiring local businesses to play an active role in supporting career outreach programmes, including additional sessions with local schools, colleges and universities to provide ongoing support and solutions to career outreach programmes;
- Victrex is a member of Science Industry Partnership ('SIP'), a UK alliance of organisations designed to generate innovation and growth within the science industries. We have two employees who sit on the SIP Task Force which is focused on increasing outreach to young people to improve the talent pipeline for science industries; and
- supporting employees taking part in a range of online and in-person initiatives to help grow the STEM workforce of the future – opportunities have included 'I'm a Scientist, Get Me out of Here!', various careers events, a range of online virtual panels and Q&A sessions and more.



As a business we continue to focus on:

1. the safety, health and wellbeing of our employees being our highest priority;
2. promoting our values of Passion, Innovation and Performance and a culture of innovation, service for customers and delivering with speed;
3. ensuring an inclusive and diverse workforce with appropriate policies;
4. being socially responsible to the communities where we operate and being aligned to the UN Sustainable Development Goals, including increasing our sustainable products;
5. providing appropriate remuneration for work carried out and equal opportunities for development and career advancement; and
6. being intolerant of any unacceptable working practices such as any form of discrimination, bullying or harassment.

Community volunteering in action

Our global, employee-led, charity and community teams have continued to support the local communities where we work throughout FY 2022. Our key focus has been social mobility, global foodbank donations and a wide range of other community-led initiatives aimed at giving back.

Victrex has supported a range of charitable donations totalling £81,811 (FY 2021: £88,178). Match funding was also provided to the Red Cross in Ukraine, following donations totalling £15,000 by our global employees.

Responsible taxation policy

The Group is committed to managing its tax affairs in a responsible and transparent manner, as outlined in our Tax Strategy (www.victrexplc.com), with the Group acknowledging its corporate responsibility in this area. Taxation paid during FY 2022 was £10.6m (FY 2021: £8.6m), in relation to profit-based taxes, with an effective tax rate of 13.9%. The Group's mid-term guidance for the effective tax rate is 12%–15% compared to the current (19%) UK corporation tax rate and the OECD global minimum rate of 15%. The discount to the UK rate is due to the specific UK government reliefs, including Research & Development expenditure credit, Patent Box and accelerated capital allowances, available to UK companies which invest heavily in Research & Development, create highly skilled innovation jobs and develop unique value-generating intellectual property ('IP'). Victrex's strategy of investing in, and patenting the output of, innovative and sustainable products and processes allows the Group to benefit from these reliefs.

It is noted that the total tax contribution for the Group is significantly higher than solely the profit-related taxes, when including other taxes borne by the Group, including employee-based taxes, customs duties and elements of VAT, in addition to taxes collected on behalf of government, including VAT and taxes borne by the Group's employees.

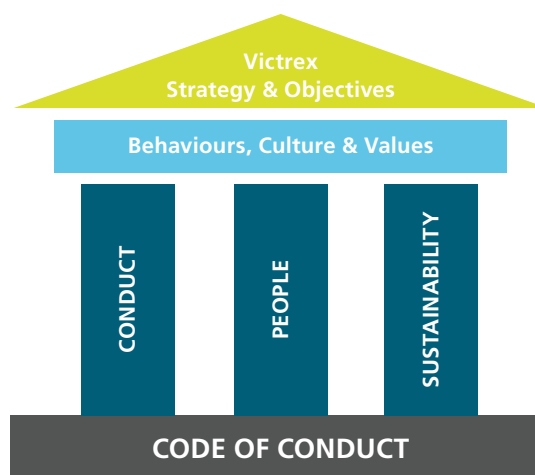
Jakob Sigurdsson
Chief Executive Officer
6 December 2022



OUR CODE OF CONDUCT – DOING THE RIGHT THING

Our values of Passion, Innovation and Performance underpin the way we do business and treat one another. Our Code of Conduct sets the foundations of how we act personally, with others and in our communities. Our continued success as a business rests on maintaining these principles and ensuring we strive to always do the right thing.

Our Code of Conduct is supported by policies on each of the Conduct, People and Sustainability pillars shown in the table below.



Doing the right thing in our CONDUCT

- We are open and honest
- We comply with all applicable laws and regulations
- We do not engage in anti-competitive activity, bribery or corruption
- We protect our Company information and confidential information shared with us
- We protect the personal data we hold about our employees and third parties
- We follow good standards of corporate governance and do not abuse market regulations

Doing the right thing for our PEOPLE

- We treat people with fairness and respect, and hold ourselves and each other to account
- We do not discriminate
- We provide a safe and healthy workplace and ensure our activities do not harm our employees, the public or the environment

Doing the right thing for SUSTAINABILITY

- We deliver sustainable polymer solutions
- We work to minimise the environmental impact of our business operations
- We contribute to the wellbeing of our local communities
- We seek to inspire the next generation

All our employees, officers and Board members are responsible for following our Code of Conduct and its supporting policies. All employees are required to complete Code of Conduct e-learning on commencement of employment. There is annual recertification of the Code of Conduct through mandatory awareness learning for employees, with additional training on specific supporting policies for targeted employees, and this programme continues to develop. In September 2022 the completion rate was 95% on a rolling annual basis. The Code of Conduct is available in five languages, viewable on www.victrexplc.com.

We encourage employees and our stakeholders to speak up if they have concerns that our Code of Conduct or its supporting policies are not being followed and our Global Whistleblowing Policy gives help on how to do this.

Sustainability at the heart

Whilst our products enable environmental and societal benefits, we also recognise that some of our operations can impact on the safety and wellbeing of our people and those in the communities around us. This is reflected in our principal risks on pages 36 to 40. Our Safety, Health and Environment ('SHE') Policy promotes our continuous improvement in this area.

Our employees

Our employees are a valued asset to us, and we continue to seek to retain and develop our teams as well as recruiting talent when opportunities arise, and this too is reflected as a principal risk on page 37. Ensuring we recognise the positive contribution of a diverse workforce and hold ourselves to account for delivering it is paramount. Our policies and procedures are reviewed from

time to time to ensure they remain fit for purpose and continue to enhance our employee experience, whilst also serving to support recruitment processes to ensure we attract the highest quality talent possible.

Our employees can easily access employment policies and key work-related information through one click into our HR intranet site. Our Group Diversity, Inclusion & Equal Opportunities Policy was updated in 2020 to strengthen focus on inclusion as well as diversity. We rolled out our Global Flexible Working Policy in FY 2021, with good initial take up rates.

Our gender pay gap report was published this year, details of which can be found on pages 66 and 67 and on www.victrexplc.com. In cases where the National Minimum Wage or National Living Wage applies within the UK, the Company complies in full with its obligations and meets both conditions.

Respect for human rights

We recognise the importance of treating the people around us, and those we may impact, with respect but also acknowledge there are practices globally that seek to threaten human rights. Victrex does not tolerate these practices.

In relation to our supply chain activities, we have focused policies on Modern Slavery, Conflict Minerals and Anti-bribery & Corruption. Before any vendor can become an approved supplier to Victrex, they must pass through our due diligence process which involves:

- site-specific audits where appropriate;
- detailed responses to a robust onboarding process that examines all relevant areas of the business operation, with special focus on issues pertinent to legislation and CSR factors; and
- acknowledgement and acceptance of the Victrex Supplier Standards Handbook.

The process is cyclical, to ensure the appropriate focus is maintained on those vendors deemed as strategically important or as high risk to Victrex.

Our Modern Slavery statement is available on www.victrexplc.com reaffirming our policy commitment and our ongoing actions in this area.

We continue to operate a Global Data Protection Policy (and a suite of supporting procedures and arrangements) to ensure compliance with applicable data protection legislation in the regions in which we do business. This policy continues to be available on the Company's intranet on a dedicated Group Policies page. Employees who handle personal data continue to be required to complete mandatory annual training, including through e-learning. Revisions to the policy are considered as appropriate as data protection legislation in the countries in which we conduct business evolves (for example China). Enhancements continue to be implemented with respect to information security, including with the supply chain, and these support the continuing protection of personal data. As of September 2022 95% of required trainees had completed their annual data protection training which is completed on a rolling annual basis.



Compliance including anti-bribery and corruption

In conducting business on behalf of Victrex, our employees and representatives must follow our Code of Conduct. This is a commitment to being open and honest and following all relevant laws and regulations. This commitment is supported by underlying policies and processes including with respect to Fraud, Anti-bribery & Corruption, Financial Crime, Gifts & Hospitality, Share Dealing (Market Abuse), Data Protection, Competition Law and Export Controls & Sanction Compliance, and is reflected in our principal risks on page 39. Our focus on Doing the Right Thing extends beyond the letter of the law to ensure we act ethically and openly, treating others fairly and how we would want to be treated. The desired outcome of our Code of Conduct, including the policies and procedures which underpin it (including the Anti-bribery & Corruption Policy), is to ensure we act responsibly in all our dealings and foster a sustainable business.

The Company is committed to a zero-tolerance position about bribery, made explicit through its Anti-bribery & Corruption Policy and supporting policies/guidance on gifts and hospitality, sponsorship and donations, and interactions with politically exposed persons and healthcare professionals. We maintain a manual for the management of Anti-Bribery and Corruption risk, reviewed annually. The purpose of the manual is to provide a process for assessing risk and to ensure compliance with the Victrex Code of Conduct, the Anti-bribery & Corruption Policy, applicable laws and regulations in the countries in which Victrex conducts business and the preservation and promotion of the Victrex brand and corporate reputation. The manual considers the business activities that could make Victrex vulnerable to bribery, risk factors, key recommended controls, a three

lines of defence controls assessment and an action plan for implementation of further enhancements to existing measures. The policies and procedures are published on the Company's intranet on a dedicated Group Policies page. The risk of bribery and corruption is considered a key aspect of the ethics and regulatory compliance principal risk on page 39 and several mitigations are in place which are reviewed regularly. In addition to ensuring compliance with export controls and sanctions, the Company conducts enhanced due diligence on individuals or organisations where there is a perceived or actual increased risk of bribery (for example, where the Company is engaging with a politically exposed person), or where the Company is conducting due diligence for a potential joint venture or acquisition. Our Code of Conduct training includes a section on anti-bribery and corruption matters. We keep our training materials under regular review and specific e-learning modules for anti-bribery and corruption, gifts and hospitality and conflict of interest, supplement face-to-face or virtual training as required. We continue to ensure appropriate anti-bribery and corruption clauses are included in relevant contracts. The Company maintains a register of employee interests (where there are actual or possible conflicts of interest) and a record of gifts and hospitality given and received above certain thresholds in the form of a Giving & Receiving Register. A review of the Company's anti-bribery and corruption arrangements is featured on the Board's programme of business and the internal audit review programme includes a review of the adequacy of the Company's procedures in relation to anti-bribery controls and procedures. Further information on our approach to anti-bribery and corruption matters is contained on page 81.



Sustainability report continued

Non-financial information statement

This section of the Strategic report constitutes Victrex plc's non-financial information statement, produced to comply with the Companies Act 2006. The below table, and information it refers to, is intended to help stakeholders understand our position on key non-financial matters, and where the relevant information is located in this report.

Reporting requirement	Material policies and standards that govern our approach	Key risks relating to these matters (pages 36 to 40)	Read more
Sustainability & environmental	<ul style="list-style-type: none"> → Safety, Health & Environment ('SHE') Policy → Environmental Policy (ISO system) → Code of Conduct* 	<ul style="list-style-type: none"> → Safety, Health and Environment → Legal and regulatory compliance, Ethics & Contracts 	<ul style="list-style-type: none"> → Sustainability report – Sustainable solutions and resource efficiency, pages 58 to 65 and our TCFD report on pages 52 to 57
Employees	<ul style="list-style-type: none"> → Group Diversity, Inclusion & Equal Opportunities Policy → Disciplinary Policy & Procedure → Grievance Policy & Procedure → Global Flexible Working Policy → Employee Handbook → Global Whistleblowing Policy → Share Dealing Code → Code of Conduct → Prevention of Bullying & Harassment Policy 	<ul style="list-style-type: none"> → Recruitment and retention of the right people → Legal and regulatory compliance, Ethics & Contracts 	<ul style="list-style-type: none"> → Sustainability report – Our Code of Conduct, pages 72 and 73 → Sustainability report – Social responsibility, pages 66 to 71 → Gender pay report, pages 66 and 67
Respect for human rights	<ul style="list-style-type: none"> → Modern Slavery & Human Trafficking Policy → Modern slavery statement* → Conflict minerals statement* → Global Data Protection Policy → Code of Conduct* 	<ul style="list-style-type: none"> → Legal and regulatory compliance, Ethics & Contracts 	<ul style="list-style-type: none"> → Sustainability report – Our Code of Conduct, pages 72 and 73 → Modern slavery, human trafficking and conflict minerals statements – see www.victrexplc.com
Social matters	<ul style="list-style-type: none"> → Sustainability Policy → Code of Conduct* 	<ul style="list-style-type: none"> → Recruitment and retention of the right people 	<ul style="list-style-type: none"> → Sustainability report – Social responsibility, pages 66 to 71
Anti-corruption and anti-bribery	<ul style="list-style-type: none"> → Anti-bribery & Corruption Policy → Fraud Policy → Conflict of Interests Policy → Gifts & Hospitality Policy → Sponsorship & Donations Policy → Financial Crime Policy → Policy on Interaction with Healthcare Professionals → Procedure on Interaction with Politically Exposed People → Export Controls & Sanctions Policy → Competition & Anti-trust Policy → Code of Conduct* 	<ul style="list-style-type: none"> → Legal and regulatory compliance, Ethics & Contracts 	<ul style="list-style-type: none"> → Sustainability report – Our Code of Conduct, pages 72 and 73
Description of the business model		<ul style="list-style-type: none"> → All principal risks 	<ul style="list-style-type: none"> → Business model, pages 12 and 13
Non-financial key performance indicators		<ul style="list-style-type: none"> → All principal risks 	<ul style="list-style-type: none"> → Non-financial key performance indicators, pages 24 and 25

* These policies are published on www.victrexplc.com, along with being available to employees via the Group intranet. All other policies listed are available to employees via the Group intranet.



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Victrex plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Arena Smooth Extra White, an FSC® certified material. This document was printed by Park Communications using its environmental print technology, which minimises the impact of printing on the environment. Vegetable-based inks have been used and 99% of dry waste is diverted from landfill. The printer is a CarbonNeutral® company. Both the printer and the paper mill are registered to ISO 14001.

Produced by

designportfolio



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