



GENDER PAY IN VICTREX

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

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

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

Gender diversity and pay

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

Gender pay explained:

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

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

For gender pay gap reporting purposes, we took our 'snapshot' of Victrex Manufacturing Limited at 5 April 2023 and have outlined the headline statistics and analysis below. We have then set out a summary of the key improvement actions we have been taking and the positive trends emerging since we started our reporting began in 2017.

Snapshot headlines for 2023

	Pay Relevant Employees	
	2023	2022
Total	733	663
Men	78.00%	79.00%
Women	22.00%	21.00%

Gender Pay Gap (Hourly Rate) Year on Year Comparison

Mean (Hourly Rate)		Median (Hourly Rate)	
2023	2022	2023	2022
6.05%	8.50%	6.42%	6.52%

Pay Quartiles (Year on Year Comparison)

	Lower		Lower-Middle		Upper-Middle		Upper	
	2023	2022	2023	2022	2023	2022	2023	2022
Men	65.43%	64.46%	86.67%	89.16%	82.97%	84.94%	77.60%	78.18%
Women	34.57%	35.54%	13.33%	10.84%	17.03%	15.06%	22.40%	21.82%

% Receiving Bonus

	Bonus Paid	
	2023	2022
Men	93.80%	88.05%
Women	91.57%	80.27%

Bonus Gap Year on Year Comparison

Mean Bonus Gap		Median Bonus Gap	
2023	2022	2023	2022
24.40%	33.85%	-0.22%	11.11%

Analysis and insights

Mean & Median hourly rate.

The primary factor influencing the negative pay gap is the ratio of females overall in positions that 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 that have a tendency to fluctuate based on performance, which has a direct impact year on year to the pay gap.

There are other influencing factors that link to the general representation of women in roles where the earnings potential is higher, for example the shift roles where a differential allowance is paid. As Victrex has a large manufacturing operation in which the majority are male employees and as these roles are required to work shifts and unsocial hours these roles attract shift premium, which inflates the basic pay. 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.

We have seen a positive change in the distribution of females across the higher pay quartiles, although due to the overall representation in Vitrex of females we continue to have a larger proportion in the lower quartile that is imbalanced when compared the overall distribution of pay relevant employees (78% Male and 22% Female as at April 2023).

Bonuses

Notable items impacting the bonus calculations this year:

- In the snapshot year of April 2023 the company triggered a bonus payment, 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.
- In addition, due to the construct of the Long-Term Incentive Plans for Senior Managers the taxable gain on the sale of share options and LTIP proceeds have impacted the mean bonus calculation again in 2023 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.
- In 2023, the Company paid a one-off cost of living support payment to all employees below senior managers, this has had a positive impact on the overall bonus gap. In addition, other recruitment incentives for specialist roles included one-off incentives where there was an equal representation of females to males.

Actions

I continue to sponsor our Diversity, Equity and inclusion agenda (DE&I) personally, with support from our Head of Learning and Inclusion Jacq Furness. We have globally inclusive pay and bonus plans and continue to focus our efforts to maintain a competitive total reward offering. We continue to have equitable policies and processes, regardless of gender.

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



measure the proportion of females within this groups.

In the past year, we have also:

- Continued our focus to have at least 40% female representation in our senior management roles by 2030. In May 2023 we reported 19% against this target.
- Had several influential speaker sessions including Victrex Chair Vivienne Cox and external speakers Sarah Furness (Ex RAF Helicopter pilot) and Rachel Yankey (Ex-Lioness world cup football player) positioning the challenges and opportunities women have in supporting other women and driving change.
- Held equity education sessions as part of International Women's month.
- Conducted further learning around understanding bias, allyship and creating an inclusive culture to create a more consistent understanding of the challenges faced by women as well as other underrepresented groups.
- Provided a broad scope of flexible working options, including term time only working and compressed hours, which we have been attractive to both internal and external talent.
- Enhanced our intranet to support our Gender engagement networks with easily accessible development resources.
- Supported a variety of STEM events with local schools focused on equality in the workplace, busting myths about gender and breaking down stereotypes.
- Advertised roles on more diverse job boards, to attract greater diversity, such as Women's Engineering Society.

Trends

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

For example, we continue to see positive trends in female progression through both formal programmes such as apprenticeships, increase in females in STEM roles, internal promotions and attracting new talent.

The positive impact of these and other changes can be seen in the statutory reported data since 2017. For example:

- The percentage of female employees overall has increased from 17% in 2017 to 22% in 2023
- The percentage of female employees in the upper middle quartile increased from 6.15% in 2017 to 17.03% in 2023
- The percentage of female employees in the upper quartile has increased from 17.83% in 2017 to 22.40% in 2023
- The median gender pay gap has reduced from 13.49% in 2017 to 6.42% in 2023



Summary

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

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

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

Finally, I can confirm that the information and data reported is accurate as of the snapshot date of 5 April 2023.

Jakob Sigurdsson

Chief Executive Officer Victrex plc