



GENDER PAY IN VICTREX

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

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

Gender diversity and pay

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

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

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

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

For gender pay gap reporting purposes, we took our 'snapshot' of Victrex Manufacturing Limited at 5 April 2019.

Snapshot headlines

Employees

- There were 682 relevant people employed on full pay.
- 82% were male and 18% female.
- 73% worked within STEM (science, technology, engineering, maths) functions, and 88% of this group were male.
- 100% of our Executive Leadership Team members (Executive Directors) were male.
- The proportion of male vs female employees in each of our pay bands was split as follows:
 - Lower quartile - 66.47% male vs 33.53% female
 - Lower middle quartile - 90.06% male vs 9.94% female
 - Upper middle quartile - 87.13% male vs 12.87% female
 - Upper quartile - 82.35% male vs 17.65% female.

Pay

- The mean hourly rate of pay for males was 13.02% higher than females.
- The median hourly rate of pay for males was 8.62% higher than females.
- 94.06% of males were paid a bonus, compared with 85.71% of females.
- The mean bonus payment for males was 27.33% higher than females.
- The median bonus payment for males was 12.55% higher than females.
- 39% of our employees were paid a shift premium and 98% of them were male.



Analysis and action

Analysis

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

Mean hourly rate. This was 13.02% higher for males, compared with 5.65% in the previous year. This was due, in part, to a small number of highly-paid female leaders leaving the business, including Louisa Burdett who was replaced by Richard Armitage as Group Finance Director. In addition, there was an increase in pension salary sacrifices, primarily by male employees.

Median hourly rate. Although still higher for males, it fell from 13.47% in the previous year, to 8.62%. This was due, in part, to a small number of highly-paid male leaders leaving the business. The increase in pension salary sacrifices by male employees (referred to above) also had an impact.

Bonus payments (% male vs female). The higher percentage for males (94.06%) compared with females (85.71%) was due to a higher number of females joining the business after the bonus qualification deadline of 30 September and therefore not eligible for a bonus, in line with the plan rules.

Mean bonus payments. These were 27.33% higher for males compared with 9% higher for females in the previous year. Again, this was due, in part, to the small number of highly-paid female leaders leaving the business, together with our Executive team being all male.

Median bonus payments. This was 12.55% higher for males, compared with 0.08% in the previous year. Again, this was due, in part, to the small number of highly-paid female leaders leaving the business, plus the effect of more females joining the business after the bonus qualification deadline of 30 September (referred to above).

Action

We will continue to ensure that our pay and bonus plans are inclusive globally, and our total reward offering is competitive for both male and female employees.

We have reviewed our approach to recruitment and although we always aim for a diverse pool of candidates, we'll be working with our partners to ensure that, wherever possible, they always put forward a mixed pool of both female and male candidates.

We will continue to have equitable policies and processes, regardless of gender. And in line with our commitments to inclusion and diversity (I&D), we have been developing and enhancing our policies. Over time, we believe policies together with a renewed focus on flexible working, will have an impact on the balance of male vs female employees.

To drive these actions, I'll be sponsoring I&D personally, with support from our Head of Learning and Development who leads on I&D for Victrex, as part of the Human Resources Leadership Team. And this year we'll be rolling out a new business-wide objective focused around 'working together'. This is designed to encourage greater awareness and support for I&D and will be assessed through



individual performance appraisals as well as being championed by the executive directors and my wider leadership team.

We will also review the way we capture, report and respond to data around gender diversity and pay, both at operational and Board levels, and will ensure all managers and leaders are aware of our commitments and their responsibilities to help meet them.

Summary

This is our third year of reporting on gender pay. It's interesting to see just how much the statistics can vary when even a small number of well-paid, senior leaders leave or join the organisation, and depending on whether they are male or female.

Whilst it's clear that we still have more work to do, we strongly believe that the actions we're taking will deliver benefits in the longer-term.

We therefore remain committed to taking positive, proactive actions to improve our statistics and to close the gender pay gap.

Finally, I can confirm that the information and data reported is accurate as of the snapshot date of 5 April 2019.

Jakob Sigurdsson
Chief Executive Officer
Victrex plc