



AN **INNOVATIVE** **WORLD LEADER** IN HIGH PERFORMANCE POLYMER SOLUTIONS

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

VICTREX PLC
SUSTAINABILITY REPORT 2021



SUSTAINABILITY REPORT

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With a carbon net zero goal by 2030, our own aspirations to reduce our environmental footprint by saving water, energy and waste are clear.

Yet Victrex could have an even bigger role in bringing environmental and societal benefits, 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.

The likes of EcoVadis and FTSE Russell already recognise us for this, with all of our revenues from Transport (Automotive & Aerospace) included in their assessment of products defined as part of their Green Revenues Index. This equates to approximately 25% of our revenues.



BRINGING ENVIRONMENTAL & SOCIETAL BENEFITS

How our products support CO₂ reduction in society

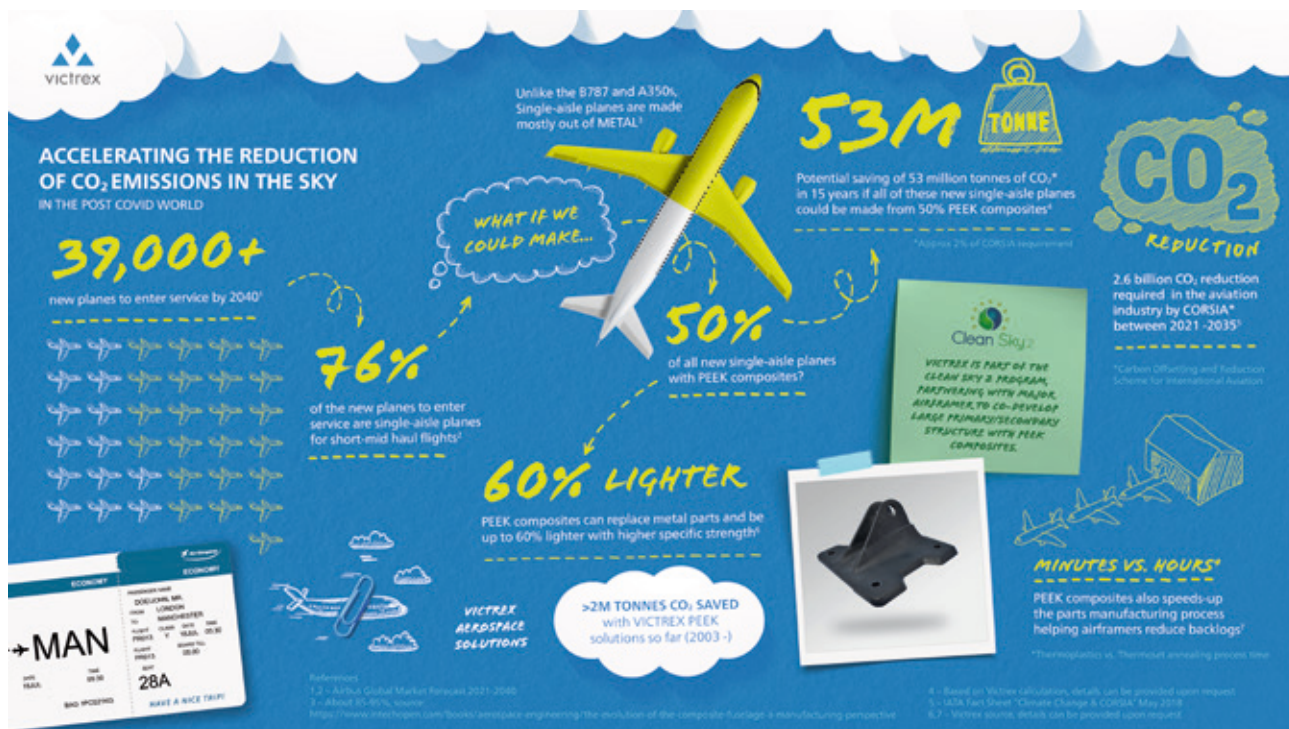
Our own assessment of products bringing environmental and societal benefits adds up to over 40% of revenues from products we define as sustainable. Our target is to exceed 50% by 2025 and we have now added a new target: 70% by 2030. This includes products for the Medical Devices industry, where clinical benefits in terms of enhanced union rates for the likes of Trauma plates, or patient satisfaction from alternatives to metal are supporting surgeons globally. Today, over 13 million people have PEEK within an implant in their body, mostly in Spine, but increasingly in applications for Arthroscopy, Dental and Trauma. The clinical trial for a PEEK Knee is also progressing well, with no issues reported at the six-month clinical follow up stage.

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

- Applications in Aerospace and Automotive using PEEK polymer offer typical 60%–70% weight reduction compared to metal equivalents. We also have applications tailored for the next generation of electric vehicles ('EVs').

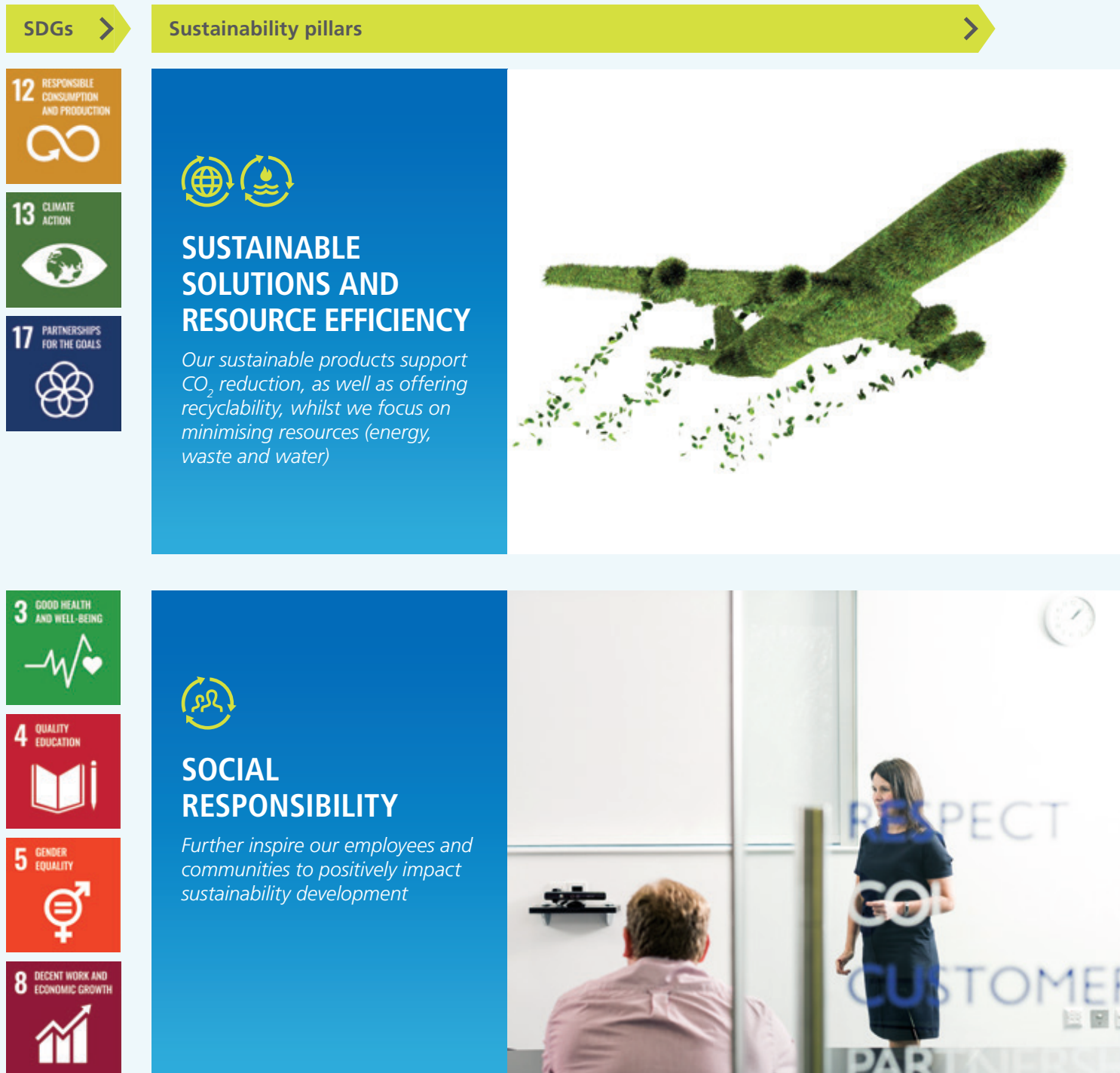
- PEEK polymer typically processes faster than metal parts, saving time and energy in the manufacturing cycle time.
- Even just a 10kg reduction in weight using PEEK polymer can help to save 4 tonnes of CO₂ per year, per plane*.
- Based on the Aerospace industry's forecast of plane build over the next 15 years, if all single aisle planes were built from over 50% PEEK composites, a 50 million tonne CO₂ saving could be realised (based on an average weight saving per application of 60%).
- In the Medical Devices industry, higher fusion rates post-surgery have been achieved in Spine and in Trauma using PEEK based solutions.
- Finally, our typical sales to Aerospace alone help support CO₂ savings 3x our own annual CO₂ footprint (based on Scope 1 and 2 emissions).

* IATA carbon reduction and climate change 2018.



OUR SUSTAINABILITY VISION AND GOALS

Following the launch of our 2030 sustainability goals last year, we have now embedded our sustainability goals into the core of our strategy, with additional milestones set.



OUR KEY IMPERATIVES:

- ACHIEVE CARBON NET ZERO
- 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 INCLUSION AND DIVERSITY AGENDA

2030 goals



Milestone targets

- **Achieve net zero carbon emissions** 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 c40%)
- **Sustained reduction in resources** (carbon, waste and water) per unit tonne by 2030
- **Victrex using 100% renewable electricity within three years**²
- **Increase % revenue** from recycled products or materials
- **Exceed 50% of Group revenue** from sustainable products with environmental and societal benefits by 2025
- **Commitment to a science based emissions target**³

- **Deliver a zero accidents and zero incidents culture**
- **Grow** global STEM programme
- **Increase community activity** across our global locations
- **Focus** on supporting gender equality/ diversity and 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

¹ Scope 1 and 2 emissions and science based target.

² For all countries where the market exists.

³ Includes quantifying Scope 3 emissions in our supply chain and establishing a reduction target.

Sustainability report continued



As a sustainable business with sustainable products, we are motivated by playing our part to bring transformational and sustainable solutions that address world material challenges every day. For example, our annual sales to Aerospace currently support 3x the CO₂ savings we emit in our own operations.

Jakob Sigurdsson
Chief Executive Officer



Introduction from the Chief Executive Officer – Jakob Sigurdsson

Our sustainability vision launched last year builds on the progress we have made in recent years and the focus now is on delivery of our carbon net zero strategy. We have also enhanced our disclosure this year including our position on the Task Force on Climate-related Financial Disclosures ('TCFD'), which we welcome, ahead of reporting in FY 2022. One of the big features of Victrex's sustainability strategy, and indeed our purpose, is how our transformational and sustainable solutions bring environmental benefits to society. Our sustainable products help bring lightweight alternatives in high performance applications, supporting the reduction of CO₂ in Aerospace and Automotive markets, as well as offering recyclability potential. Beyond our products playing a role in a better society, we also have clear goals to improve our resource efficiency, including reductions in energy, waste and water usage metrics, and a strong focus on our social responsibility.

Our 2030 goals build on our previous targets, several of which we have now completed. Areas of focus include increasing re-use and recycling rates of our PEEK polymers in applications and the future possibilities from a circular economy and re-use of materials, as well as our desire to exceed 50% of Group revenue from products with positive environmental and societal benefits by the middle of this decade (from approximately 40% today). This includes Medical, where, with COVID-19, many of our applications were designated as 'life sustaining' such as ventilator equipment, as well as our implantable material for devices such as Spine, Arthroscopy and Trauma, with over 13 million patients now implanted using PEEK-OPTIMA™ as a replacement for metal. To underpin this goal we will also be developing more detail on product impact through lifecycle analysis.

Our vision is clear: through increasing the use of our sustainable and recyclable products which support CO₂ removal, offsetting and minimising resources – carbon, waste and water – used in our operations, by 2030 Victrex seeks to become carbon net zero. This vision is underpinned by science based targets and indeed we have now committed to the Science Based Targets initiative ('SBTi'). Whilst we do not specifically seek recognition for our sustainability performance, we note that Victrex continues to be part of the FTSE Russell Green Revenues Index, reflecting our sales into transport markets, where our lightweight materials support the trend of CO₂ reduction. Our performance as ranked by the Carbon Disclosure Project ('CDP') also remains a key priority and we have seen gradual improvement over recent years, with our score a B- this year, above the regional European average and a creditworthy achievement given our initial E grade in 2013. Additionally, Victrex was awarded a Gold sustainability rating by EcoVadis, a leading provider of sustainability ratings, placing us among the top 5% of companies assessed by them. We also saw several notable efficiency improvements in our manufacturing plants, which helped reduce waste and water usage, with a focus on a sustained reduction per tonne going forward. As one example, our water usage per unit of revenue has decreased by around 17% in five years. We are also exploring the potential of the hydrogen supply chain to support our CO₂ footprint, as well as assessing raw material usage.

Social responsibility continues to be a key plank of our sustainability strategy. Safety and wellbeing goals will seek to achieve a working culture with zero accidents and zero incidents and enhanced inclusion and diversity and, externally, increasing our community activity, including continued support of science, technology, engineering and mathematics ('STEM') learning. Through supporting STEM activities in schools, as well as supporting 49 apprentices this year – 9 of whom are female – we have now exceeded our original 2023

target of 10,000 employee hours in the community, with 3,559 hours committed in FY 2021 alone. Indeed, through employee volunteering, equipment and PPE donations (including 3D printed mask ear covers) we provided significant support to care and health organisations globally. Internally, we also have a strong diversity and inclusion agenda and have increased our activities this year to embed diversity & inclusion at a global level, with further detail on page 61. Brendan Connolly, our workforce engagement non-executive Director, also contributed to the diversity & inclusion agenda through a number of virtual activities and global forums through the year, where he was able to engage and listen to the employee voice and culture across the organisation.

Sustainability remains an integral part of our business model, and our investment case, as well as demonstrating our approach as a responsible business. With our Polymer & Parts strategy focused on moving further downstream to supply semi-finished products and components – beyond manufacturing polymers – we have an opportunity to deliver further benefits to our customers, our markets and ultimately society. Whether it be in Aerospace and Automotive, where CO₂ reduction, electrification and lightweighting are key themes, or in Medical, where our polymers are delivering real performance benefits to patients, sustainability remains key to supporting our customers, differentiating our business and ultimately bringing tangible benefits to society and the environment.

Our journey to carbon net zero will continue to evolve and I look forward to sharing the detail of this over the coming years.




Jakob Sigurdsson
Chief Executive Officer
6 December 2021

OUR SUSTAINABILITY PROGRESS SO FAR – AND FUTURE GOALS

Our original 2023 vision (timed to mark the 30th anniversary of Victrex's formation) has helped deliver real progress on our sustainability journey so far, with a number of milestones already achieved.

Our 2030 goals – launched last year – 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 for net zero emissions.

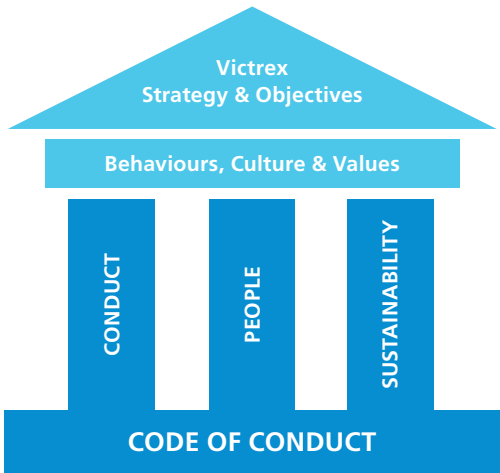
As part of our Sustainability strategy, we are also investing a large proportion of our Research & Development expenditure in sustainable products. In FY 2021 alone, 88% of our project based R&D investment was aligned to sustainable products or programmes. These include all of our Aerospace mega-programmes, 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.

AREA OF FOCUS	PROGRESS TO DATE	2030 GOALS	2030 MILESTONE TARGETS (INTRODUCED IN FY 2020)	ENHANCED 2030 MILESTONE TARGETS (INTRODUCED IN FY 2021)
Sustainable solutions 	<ul style="list-style-type: none"> → >2 million tonnes of CO₂ saved in Aerospace applications → Independently reviewed method of measuring CO₂ savings in Transport → Societal benefits through improved patient outcomes in Medical: >13 million patients implanted using PEEK-OPTIMA™ 	<ul style="list-style-type: none"> → Increase recycling rates in the supply chain → Increase revenue from our sustainable products with positive environmental and societal benefits (currently c40%) 	<ul style="list-style-type: none"> → Increase recycling rates in the supply chain by 2025 → Exceed 50% of Group revenue from sustainable products with environmental and societal benefits by 2025 	<ul style="list-style-type: none"> → Increase % revenue from recycled products or materials → Exceed 70% of Group revenue from sustainable products by 2030
Resource efficiency 	<ul style="list-style-type: none"> → >87% renewable electricity sourced → Sustained reduction in water and waste per tonne (25% reduction in water per £ revenue since 2017) 	<ul style="list-style-type: none"> → Achieve 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 	<ul style="list-style-type: none"> → Victrex using 100% renewable electricity by 2024 → Commitment to a science based emissions target (Scope 1 & 2) 	<ul style="list-style-type: none"> → 100% renewable backed electricity by 2023 → Commitment to SBTi by end of 2021
Social responsibility 	<ul style="list-style-type: none"> → Improved OSHA standard in FY 2021 of 0.71 → Over 10,000 employee hours spent supporting community activity since 2013 → 44 global STEM Ambassadors in place 	<ul style="list-style-type: none"> → Deliver a zero accidents and zero incidents culture → Increase community activity across our global locations → Grow global STEM programme → Focus on supporting gender equality/ diversity & inclusion 	<ul style="list-style-type: none"> → Improved safety metrics based on OSHA standard → STEM Ambassadors in every region → Commit >500 employee hours to global community activity annually → Embed inclusion & diversity across the employee base 	<ul style="list-style-type: none"> → STEM contact programme >2,500 young people by Victrex employees → Cumulative employee hours supporting local communities >10,000 hours (2020–2030) → 40% of females in leadership group (top two grades) by 2030 (FY 2021: 10%)

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	Doing the right thing for our PEOPLE	Doing the right thing for SUSTAINABILITY
<ul style="list-style-type: none">→ 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	<ul style="list-style-type: none">→ 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	<ul style="list-style-type: none">→ 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 of our employees, officers and Board members are responsible for following our Code of Conduct and its supporting policies. 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 2021 the completion rate was 95%. The Code 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 matters

We 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 35 to 38. Our Safety, Health and Environment 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 36. 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 Inclusion, Diversity & Equal Opportunities Policy has been updated to strengthen focus on inclusion as well as diversity. Several inclusion and diversity initiatives have been launched in FY 2021 including the roll out of a Global Flexible Working Policy, with good initial take up rates.

We have continued to develop and progress action plans relating to our engagement survey, including further developments in areas that did not score as highly as we would have liked in our last employee survey. We will be running this bi-annual Employee Engagement Survey in FY 2022.

Our gender pay gap report was published this year, details of which can be found on pages 59 and 60 and on www.victrexplc.com. In cases where the National Minimum Wage or National Living Wage applies, the Company complies in full with its obligations.

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 acceptably pass through our due diligence process which involves:

- site-specific audits where appropriate;
- detailed responses to a robust on-boarding 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 including the EU GDPR and UK GDPR and Data Protection Act. This policy was refreshed and updated in FY 2020, and 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 generally with respect to information security, including with the supply chain, and these support the continuing protection of personal data. As at September 2021 96% of required trainees had completed their annual data protection training.

Sustainability report continued



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 38. 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 with regard to bribery, made explicit through its Anti-bribery & Corruption Policy and supporting policies/guidance on gifts and hospitality, interactions with politically exposed persons and healthcare professionals. In FY 2021 we produced a manual for the management of Anti-Bribery and Corruption risk. 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. This manual is dynamic and will be reviewed annually. 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 38 and a number of 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 the Company is conducting due diligence for a potential joint arrangement or acquisition. All employees are required to complete Code of Conduct e-learning on commencement of employment and thereafter annually. This contains 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 and gifts and hospitality, to supplement classroom-based training sessions, are available. 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 69.



Non-financial information statement

This section of the Strategic report constitutes Victrex plc's non-financial information statement, produced to comply with sections 414CA and 414CB of 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 35 to 38)	Read more
Environmental matters	<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 → Ethics and regulatory compliance 	<ul style="list-style-type: none"> → Sustainability report – Sustainable solutions and Resource efficiency, pages 53 to 57
Employees	<ul style="list-style-type: none"> → Group Inclusion, Diversity & Equal Opportunities Policy → Disciplinary Policy & Procedure → Grievance Policy & Procedure → Global Flexible Working Policy → Employee Handbook → Global Whistleblowing Policy → Share Dealing Codes → Code of Conduct → Prevention of Bullying & Harassment Policy 	<ul style="list-style-type: none"> → Recruitment and retention of the right people → Ethics and regulatory compliance 	<ul style="list-style-type: none"> → Sustainability report – Our Code of Conduct, pages 48 to 51 → Sustainability report – Social responsibility, pages 59 to 63 → Gender pay report – pages 59 and 60
Respect for human rights	<ul style="list-style-type: none"> → Modern Slavery & Human Trafficking Policy → Modern slavery statement* → Conflict minerals statement* → Data Protection Policy → Code of Conduct* 	<ul style="list-style-type: none"> → Ethics and regulatory compliance 	<ul style="list-style-type: none"> → Sustainability report – Our Code of Conduct, pages 48 to 51 → 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 59 to 63
Anti-corruption and anti-bribery	<ul style="list-style-type: none"> → Anti-bribery & Corruption Policy → Fraud Policy → Conflict of Interests Policy → Gifts & Hospitality 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"> → Ethics and regulatory compliance 	<ul style="list-style-type: none"> → Sustainability report – Our Code of Conduct, pages 48 to 51
Description of the business model		<ul style="list-style-type: none"> → All principal risks 	<ul style="list-style-type: none"> → Business model, pages 10 and 11
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 21 and 22

* 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.

OUR POSITION ON TCFD

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 risks and to also ensure appropriate risk mitigation processes are in place.

Victrex looks forward to sharing our first full disclosure in next year's Annual Report (FY 2022).

We have been developing our understanding of the Group's exposure to climate change risk, completing a 'gap analysis' to full TCFD alignment, and creating a clear plan to take us towards a complete and comprehensive TCFD disclosure. This initial review highlighted that the Group already fulfils many of the TCFD's recommendations. Further work will be implemented during the year ahead.

Summary of key focus areas

GOVERNANCE	<div>→ The CEO has overall responsibility for our sustainability strategy including climate related issues</div> <div>→ The Victrex Board is responsible for reviewing and guiding strategy and is committed to sustainability as part of the Victrex Polymer & Parts strategy</div> <div>→ The Sustainability Steering Team and sub-committees monitor and review performance against key performance indicators</div>
STRATEGY	<div>→ Climate change related risks and opportunities have been identified including those involving our products and solutions benefiting society, carbon intensity from our operations, the potential impact of rising sea levels and potential issues in the wider supply chain</div> <div>→ The potential climate-related benefits that our products offer present a strong business opportunity, bringing measurable environmental and societal benefits</div> <div>→ Victrex will be looking at a science based target and a decarbonisation plan to deliver its part of a 1.5°C trajectory</div> <div>→ In FY 2022 we will conduct scenario analysis to assess the impacts of climate risks and opportunities. Our scenario analysis will be based on two scenarios: a 1.5°C Paris-aligned 'low carbon transition' scenario; and a 4°C 'business as usual' scenario, covering the period to 2050 (based on underlying temperature pathways from the Intergovernmental Panel on Climate Change ('IPCC'))</div>
RISK MANAGEMENT	<div>→ Business risks (including climate-related risks) are identified and addressed using the corporate risk process (see page 89)</div> <div>→ Each risk is thoroughly evaluated based on the likelihood of occurrence and severity of impact. This is completed at both a gross and a net risk level (i.e. before and after the effect of risk controls and mitigation are taken into account)</div> <div>→ Risk registers are regularly reviewed and risks escalated as appropriate. This approach is used to risk assess all business risks evaluated through the corporate risk management process</div> <div>→ Corporate risks are reviewed by the Board and Executive Risk Committee every six months</div>
METRICS	<div>→ Victrex's 2030 goals are shown on pages 44 to 47</div> <div>→ We calculate and track our Scope 1, 2 and 3 GHG emissions, including our absolute carbon and measures of intensity according to the GHG Protocol Corporate Standard</div> <div>→ We have established longer-term aspirational goals with associated near-term milestone targets related to climate change; this includes our aspiration to achieve carbon net zero for our own operations by 2030</div> <div>→ We have also committed to the SBTi to start the process of establishing a science based target in line with the global accord to minimise global warming to 1.5°C</div>

What is Victrex doing on TCFD?

The Victrex Management Team (chaired by the CEO) is responsible for reviewing and guiding major plans of action to achieve the sustainability strategy. Climate change aspects have been reviewed through the sustainability planning and steering process. The corporate 'Sustainability Road Map' specifically addresses climate change impacts from carbon emissions. Further work to support SBTi includes a lifecycle analysis of our products and a more detailed assessment of Scope 3 impacts.

Below the Board and the Victrex Management Team, the highest level committee with responsibility for climate-related issues is the Sustainability Steering Team and associated workstream groups. The team monitors and reviews performance against the corporate sustainability policy. The policy was established following a materiality review that helped to prioritise climate change risks and opportunities. The policy focuses on climate change risks and opportunities including resource efficiency and sustainable solutions.

The Sustainability Steering Team and sub-committees monitor and review performance against key performance indicators. Key performance indicators are reported annually in the Annual Report. We also engage with external assessments such as CDP, MSCI, SEDEX and EcoVadis to systematically assess our Sustainability and climate-related programmes and identify opportunities to continually improve.





SUSTAINABLE SOLUTIONS: SUPPORTING CO₂ REDUCTION THROUGH ELECTRIC VEHICLES ²

PEEK has been a material of choice for many OEMs and tier 1s across some of the most demanding automotive, under-the-hood applications for those looking to increase efficiency, reduce weight and system cost through functional integration or enhance component reliability and vehicle safety. The thermoplastic is known for its unique combination of material properties which often makes it an alternative to metals and other polymers.

We believe a key differentiator for PEEK is its support towards lowering CO₂ emissions globally. We will be refining our baseline data on the impact of our products in order to support our goal of increasing revenues from those with the most environmental and societal benefits.

More recently with electrified and electric vehicles ('EVs') come new and different challenges for car manufacturers, and new application areas for PEEK polymer solutions.

From traditional combustion engines to EVs on the roads

EVs offer a compelling proposition to improve automotive sustainability, motivated by legislation and government subsidies. EVs are shown to be better for the environment than petrol or diesel cars, emitting fewer greenhouse gases and air pollutants, leading to a reduction in CO₂ emissions.

For PEEK, the material can help enable Zero Emission Vehicles ('ZEVs') deal with the increasing performance needs required to deliver extended range, fast charging and powertrain efficiency to reduce cost.

The lightweight benefits of replacing metal and dynamic wear performance of PEEK also contribute significantly to ICE and hybrid CO₂ improvements. Lightweighting and performance from PEEK, even in a few applications such as vacuum pumps and thrust washers, help to save approximately 80,000 tonnes of CO₂, using European annual mileage for passenger cars (source data on file at Victrex).

The outstanding material properties of PEEK polymers offer advantages in electric powertrain and dynamic applications. For example, in the production of Victrex HPG™ (High Performance Gears) products, capable of replacing metal frictional components with Victrex™ PEEK polymer options that enable improved fuel efficiency through a reduction in frictional losses. Simultaneously, Noise, Vibration and Harshness ('NVH') is reduced by up to 50%.

Powertrain transformation

Solutions developed within the complex processes of EV include improvements in e-motors. Enhanced motor technology can help OEMs to meet emissions targets with cost effective powertrain solutions that do not compromise on durability and time to market.

Victrex recently launched the VICTREX XPI™ product family. These high performing PEEK polymers are specifically designed for improved melt extrusion processing in the manufacturing of high performance magnet wire and meet a combination of demanding properties, such as excellent electrical,

mechanical and chemical resistance and high temperature performance, for e-motor magnet wire. These new VICTREX XPI™ products offer OEMs and e-motor manufacturers improvements in thermal efficiency in high performance electric machines that help address EV challenges and enable range extension and an enhanced driving experience. From a current 9g of PEEK per average car globally, we can see a long-term opportunity of 100g and above with greater adoption of EVs using high performance materials, particularly those requiring higher voltage batteries and applications supporting them. The opportunity for Victrex to continue contributing to CO₂ reduction through our sustainable products remains strong.



Sustainability report continued



RESOURCE EFFICIENCY

Resource efficiency

Alongside our sustainability vision (see pages 44 and 45) to become carbon net zero by 2030, our products already offer recyclability potential and support for a circular economy. With lighter materials which can support CO₂ savings, we have clear sustainable benefits to society, but also have an impact on the environment through the resources that we use to make our products and the processes that we operate. We focus 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.

The business-wide impact of COVID-19 limited the extent to which resource efficiency projects could be implemented over the past year; however, the following examples demonstrate our commitment to ensuring that the momentum for such improvements is maintained:

- Reduction in caustic usage at our UK Seal Sands site through optimisation projects;
- Reduction in water use on scrubber systems and electricity consumption with the polymer plants at our UK Hillhouse site;
- Production areas within our Melt Filtration facility (UK Hillhouse) have been upgraded to more efficient LED lighting, reducing electricity usage; and
- Within the Films production plant, there has been an increase in the quantity of standard PEEK reclaimed and the introduction of reclaimed material from 97.5% to 99.99%.

Principal environmental impacts

The Group's main environmental impacts are set out in the charts on page 55 and are different from the Group's overall greenhouse gas ('GHG') emissions (on pages 56 and 57). These show energy use, water use and waste from our main UK polymer production sites. These production sites have the biggest potential environmental impact (consuming 98% of energy for the Group); the impact from our US Gears facility, our UK Fibres plant and our overseas technical and office facilities is not material at this stage and is not included.

We have reported 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. Encouragingly, targeted improvement projects resulted in lower energy and water efficiencies per unit of plant output. Environmental indicators 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 from other sources, for example distribution). Absolute emissions data is reported along with Scope 1 and 2 emissions per unit revenue.

Our participation in the Carbon Disclosure Project ('CDP'), which benchmarks global companies, has recognised our efforts in this area. CDP measures companies in their efforts to reduce carbon, and during the year we were pleased to maintain our score of a B- grade, higher than the European regional average. Due to our polymer operations being located in the North West of England, an area of high rainfall and low water stress, we did not participate in the CDP water disclosure but would note that our water usage has decreased in absolute terms by approximately 17% over the last five years, principally as a result of operational improvements to our process

and a focus on water and resource efficiency. Additionally, water reduction – through process improvement – remains one of our 2030 goals as set out in our sustainability vision last year.

Compliance

Proactively staying well ahead of environmental standards is part of Victrex's philosophy across our operations. When we design and build new assets we work closely with global regulatory authorities to 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 close regulatory review by the UK Environment Agency. We carry out extensive routine monitoring, with over 2,000 tests per year, to proactively make sure our plants are well controlled with no notifiable permit breaches during the year.

In conjunction with increased demand for PEEK over the past six months, the Hillhouse site re-applied for a Greenhouse Gas Permit to allow the operation of its boiler plant to its full capacity. This was granted by the UK Environment Agency using a fast-track effort and by working closely with the regulatory authority to meet the required target date of 1 August 2021.

Victrex has an effective system for reporting and investigating incidents and near misses. In the period there were no reportable incidents.

We have well established systems and procedures in place to manage environmental performance and to achieve continuous improvement.

During the year we successfully retained our ISO 14001:2015 accreditation for the environmental management system on all our polymer manufacturing plants, melt filtration, compounding, film, tape, pipe, dispersion and innovation plants, validating our high level of commitment to environmental improvement.

Energy use (UK operations)

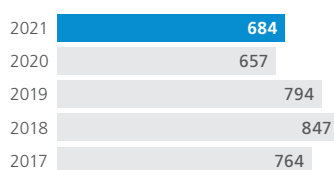
In line with previous reporting, energy use is reported for our UK manufacturing sites.

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

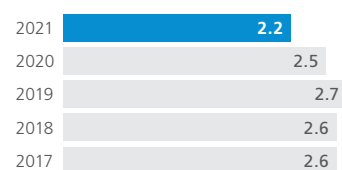
Absolute energy was similar to FY 2020 as a result of higher production output and inventories being unwound this year.

Primary energy per unit revenue has decreased due to inventory supplementing our sales volume.

Primary energy Thousands GJ



Primary energy per unit revenue Thousands GJ/£m

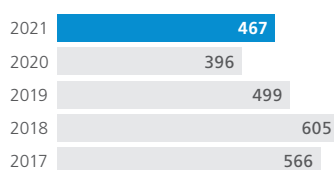


Water (UK operations)

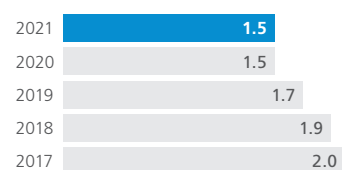
Absolute total water usage has increased due to higher production output.

Water usage per unit revenue has remained similar as a result of higher volumes produced and process improvement.

Water usage Thousands m³



Water usage per unit revenue Thousands m³/£m



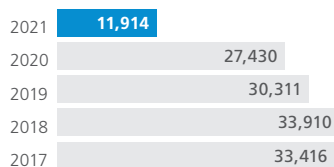
Waste (UK operations)

Whilst our manufacturing process generates hazardous waste, we work closely with licensed waste service providers to ensure that it is recovered, recycled or disposed of with minimal environmental impact. Waste generation is based on consignment note records.

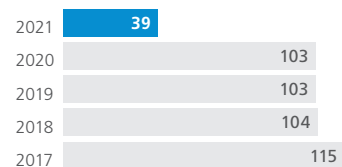
Total hazardous waste decreased this year driven by lower volumes manufactured in our upstream monomer facilities and unwinding of inventory post-Brexit.

During the past year we have started to develop and implement a waste reporting portal which has led to the improved reporting of waste volumes and enabled our efforts to be targeted around waste contractor management, compliance and extracting accurate and timely data. It is planned that the Waste Portal will be extended in the near future to include a dashboard interface to allow trends and points of waste generation to be more accurately identified and analysed.

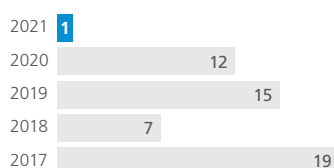
Hazardous waste produced Tonnes



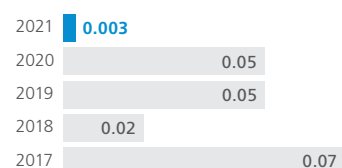
Hazardous waste produced per unit revenue Tonnes/£m



Hazardous waste disposed to landfill (after treatment) Tonnes



Hazardous waste disposed to landfill (after treatment) per unit revenue Tonnes/£m





RESOURCE EFFICIENCY CONTINUED

Greenhouse gas ('GHG') emissions

Our GHG report has been updated in line with the UK government regulations on Streamlined Energy and Carbon Reporting introduced in 2019.

Emissions have been calculated based on the GHG Protocol Corporate Standard. Emissions reported correspond with our financial year. We have included emissions from both our owned and leased assets for which we are responsible in the UK and overseas. This includes our manufacturing plants, technical centres and offices. No material Scope 1 or Scope 2 emissions are omitted. National and regional emission conversion factors have been used.

Indicative Scope 3 emissions have been included in our report for greater transparency including indirect emissions from business flights and international air and shipping goods freight.

Our GHG emissions are predominantly from gas combustion and electricity use on our chemical production plants in the UK. We continue to improve our proportion of renewable energy, with over 87% (up from 85% in FY 2020) of our global electricity needs now from renewable sources. Emissions from our Gears facility in the US and Fibres facility in the UK are now included but are relatively immaterial. Additionally, emissions from our overseas technical facilities and offices are small

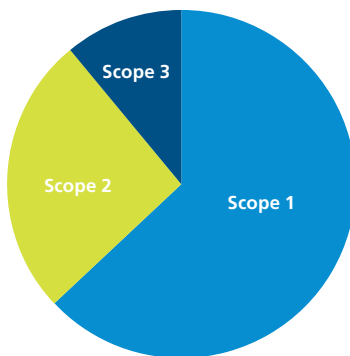
compared to production activities, which explains our focus on production site environmental reporting metrics.

Direct emissions from fuel combustion (Scope 1) increased due to higher production volumes compared to FY 2020. Indirect emissions (Scope 2) from electricity purchased reduced due to lower production volumes of upstream manufacturing facilities and the benefit of a lower CO₂e conversion factor for UK electricity in FY 2021.

Other indicative indirect emissions (Scope 3) from transport of goods and employees have increased markedly, primarily due to global freight and short-term customer demand requiring air-freighting, offset by reduced business travel due to COVID-19.

Victrex GHG emissions 2021 based on Victrex financial year 2020/21

Tonnes of CO₂e equivalent 2021 from PEEK manufacture and downstream products.



SCOPE 1

Direct emissions resulting from combustion of fuels Tonnes CO₂e

2021	20,161
2020	18,241
2019	23,820
2018	25,499
2017	22,684

SCOPE 3

Other indirect emissions from related activities such as transport of goods and employee business travel Tonnes CO₂e

2021	3,437
2020	1,612
2019	2,536
2018	8,197
2017	8,136

SCOPE 2

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

2021	8,293
2020	9,212
2019	11,065
2018	12,722
2017	13,707

INTENSITY MEASUREMENT (SCOPE 1 AND 2)

Tonnes CO₂e/£m revenue

2021	90
2020	103
2019	119
2018	117
2017	125

Global GHG emissions and energy use data

	2020	2021
Scope 1/tCO₂e		
Global	18,241	20,161
UK	18,035	19,953
Global (excluding UK)	207	208
Scope 2 (location based)/tCO₂e		
Global	9,212	8,293
UK	8,501	7,511
Global (excluding UK)	710	782
Scope 2 (market based)/tCO₂e		
Global	2,442	1,980
UK	1,614	1,088
Global (excluding UK)	828	892
Gross Scope 1 and Scope 2 (location based)/tCO₂e		
Global	27,453	28,454
UK	26,536	27,464
Global (excluding UK)	917	990
Energy consumption/MWh		
Global	131,954	140,843
UK	130,033	138,676
Global (excluding UK)	1,921	2,167
Intensity ratio/tCO₂e Gross Scope 1 and Scope 2/£m revenue		
Global	103	90
Methodology		
Based on GHG Protocol Corporate Standard		

* This year's data includes emissions from our South Korea office and business travel by car.

Environmental management – continued improvements

In order to drive improvement a further range of energy efficiency projects have been implemented during the year.

We understand that the capture and collation of data is fundamental to managing our environmental impact. Our approach has been an 'if we can't measure it, we can't manage it' principle and as such a global reporting portal covering energy consumption has been constructed over the past year in partnership with our service provider, covering our Scope 1 and Scope 2 emissions. The key steps involved in developing the Victrex Energy Portal have been:

- The establishment of standardised data capture profiles at site and Company level;
- Assignment of responsibility for compliance requirements, operating and emission limits, and record keeping requirements;
- Defining trends and analysing volumes at site and Company level;
- Defining and monitoring targets; and
- Generating reports to meet regulatory requirements and internal reporting needs.

The overall objective for the Victrex Energy Portal is to develop a Company-wide energy dashboard with the capability of providing energy information such that we can identify key consumers and leakages and intelligently target improvements and capital to deliver our 2030 net zero vision.

NOx (Oxides of Nitrogen reporting)

Pleasingly, our operations emit around 50% below the threshold levels of approximately 100 tonnes per annum required for external reporting.

During the past 12 months, 52.6 tonnes of NOx (expressed as NO₂) was 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. The reduction in inventory has contributed to an overall reduction of NOx from the production of PEEK compared to previous years.

REACH

Following the UK's withdrawal from the EU and the subsequent transition period, the EU REACH 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 (Registration, Evaluation, Authorisation and Restriction of Chemicals regulations) is a well-established regulatory regime 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.

Sustainability report continued



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.

This year we have continued to protect our people from the COVID-19 pandemic by acting swiftly based upon our learnings in the last twelve months whilst always following local and national guidance and ensuring that robust controls are in place within each Victrex location.

The pandemic has continued to delay some SHE proactive improvement activities; however, during this period we have continued to operate safely and to continuously improve our SHE systems and procedures.

FY 2021 saw the continuation of our **zero accidents and zero incidents** SHE culture improvement programme and we have: completed our first global SHE survey, which resulted in a culture engagement score of 79% from a 60% response; created our first SHE golden rules; launched an SHE accountability framework; and created an SHE Leadership masterclass workshop with 140 global leaders taking part.

We have also initiated a process safety management improvement programme and are updating the Victrex SHE safety management system in line with the ISO 45001 standard, making good progress with both workstreams.

SHE KPIs

Our SHE KPIs are now reported in line with the OSHA criteria.

Our FY 2021 performance pleasingly shows 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 (1.9) and LTFR rate (0.6).

Our recordable frequency rate has reduced by 45% from 1.30 to 0.71 and our injury related RIDDORs have reduced by 50% (to 1).

Our aspiration is to achieve a **zero incident and accident culture** and delivering our aspiration will rely on us keeping a mindset where we all behave in the right way, do the right thing, make the right decisions and act quickly when it comes to taking care of each other and the environment.

Recordable injury frequency rate	FY 2019	FY 2020	FY 2021
Total number of recordable injuries	9	12	6
Total hours (employee and contractor)	1,746,332	1,854,529	1,690,374
Frequency rate	1.03	1.30	0.71
OSHA benchmark		1.7	1.9

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

Lost time injury frequency rate	FY 2019	FY 2020	FY 2021
Total number of lost time injuries	4	7	4
Frequency rate	0.46	0.75	0.47
Employee hours – injury rate	1,746,332	1,854,529	1,690,374
OSHA benchmark		0.6	0.6

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



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?

China

Our China manufacturing subsidiary in Panjin ('PVYX') also recorded 500,000 hours with no recordable injuries. A subsequent recordable injury did occur off site. Data on performance during construction is shown opposite.

PVYX employees	
Hours worked	67,504
Recordable injuries	0
Total RIFR	0
Reportable environmental	0
High potential incidents	0
PVYX project	
Hours worked	752,948
Recordable injuries	1
Total RIFR	0.27
Reportable environmental	0
High potential incidents	n/a



SOCIAL RESPONSIBILITY

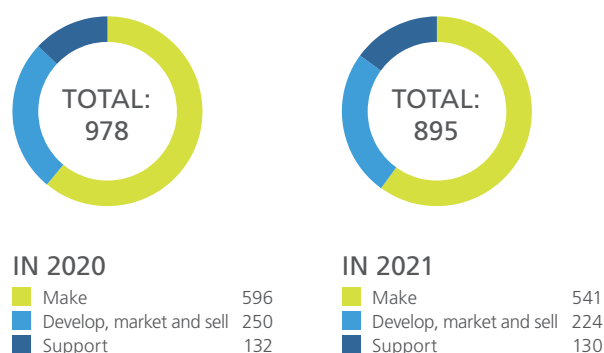
Our social responsibility area focuses on inspiring our employees and communities to positively impact our chosen UN Sustainable Development Goals:

- Good health and wellbeing
- Gender equality/diversity and inclusion
- Quality education/STEM

Permanent employees (as at year end)



Average number of people employed during the year (including Directors), by category



Gender pay

For Victrex, inclusion and diversity is central to our 2030 sustainability strategy which we launched in last year's Annual Report, with our target to embed inclusion and diversity across our global employee base.

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 are all equal and we treat each other in the same way that we would 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 2021.

Snapshot headlines Employees

- There were 612 relevant people employed on full pay.
- 80% were male and 20% female.
- 79% worked within STEM (science, technology, engineering, maths) functions, and 86% 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 – 65.16% male vs 34.84% female.

- Lower middle quartile – 90.13% male vs 9.87% female.
- Upper middle quartile – 87.50% male vs 12.50% female.
- Upper quartile – 78.43% male vs 21.57% female.

Pay

- The mean hourly rate of pay for males was 10.98% higher than females.
- The median hourly rate of pay for males was 6.93% higher than females.
- 64.50% of males were paid a bonus, compared with 30.00% of females.
- The mean bonus payment for males was 5.15% lower than females.
- The median bonus payment for males was 28.30% higher than females.
- 37% of our employees were paid a shift premium and 97% of them were male.

Sustainability report continued



SOCIAL RESPONSIBILITY CONTINUED

Gender pay continued

Analysis and action

Analysis

The quartile figures are broadly similar to FY 2020 but there are some differences in the percentages.

Actual pay after salary sacrifice

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

Mean & Median hourly rate

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

In April 2021, we paid a one-off payment of £500 to our manufacturing employees as part of the annual salary review process. Awards were paid to 240 male employees and 6 female employees. Under the gender pay calculations, bonuses paid in April are included in the hourly rate calculation (as the cut-off for bonuses is 30 March). This has had a small detrimental effect on the average pay calculation (0.37%). If this award payment was excluded from the calculation, the mean hourly rate would reduce from 10.98% (2020) to 10.56% (2021).

Although still higher for males, we continue to see positive year on year trends. For example, we continue to see positive trends in female progression through both formal schemes such as apprenticeships and via internal promotion. Victrex is currently supporting 49 apprenticeships, with the majority predominantly in manufacturing roles.

Quartiles

The proportion of female employees in each of our pay bands has increased versus the prior year. This is in part due to the cost saving programme undertaken in 2020, where a higher proportion of males than females left the business through voluntary redundancy and retirement.

Bonuses

For the calculations in this report we have included:

- the taxable gain on the sale of share options – where employees decided to sell for whatever reason, e.g. share price, personal financial circumstances, etc. (eligible to all);
- sign-on bonuses – payable to new starters, usually in niche or critical skills roles, as an incentive to join the Company;
- functional awards – which form part of our Award & Recognition programme (eligible to all); and
- COVID-19 awards – paid to those employees categorised as key workers who have been required to work on site during the COVID-19 pandemic.

Our annual All-Employee Bonus Scheme was not triggered in the 2020 financial year. The bonus data reported this year is therefore comparable to FY 2019 although it is not truly reflective of earlier years, when the bonus has been triggered.

Action

I have sponsored inclusion and diversity ('I&D') personally, with support from our Head of Learning and Inclusion, as part of the Human Resources Leadership Team. We continue to focus our efforts to ensure that our pay and bonus plans are inclusive globally, and our total reward offering is competitive for both male and female employees. We continue to have equitable policies and processes, regardless of gender.

We have also:

- Implemented a new All-Employee Bonus Scheme aligned to the achievement of budgeted profit before tax ('PBT'). This aligns all employees, including all executive Directors, under the same targets;
- Rolled out the LinkedIn Learning platform for our global employees and have made a suite of equality, inclusion and diversity learning materials available;
- Implemented a Global Flexible Working policy as well as the opportunity to buy additional annual leave;

- Introduced Gender Engagement networks globally and mentoring for inclusion for a number of women;
- Introduced a target of 40% of our leadership group (top two grades) being female by 2030, from 10% in FY 2021; and
- Continued to drive a business-wide objective focused around 'working together', designed to encourage greater awareness and support for I&D. Employees globally are focusing on this objective through individual performance appraisals. This effort is driving ownership to ensure that all managers and leaders are aware of our commitments and their responsibilities to help meet them.

Over time, we are confident that these initiatives, 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.

Summary

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

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

COVID-19

Based on the learnings from our employees on their experiences of working during COVID-19 we launched an updated Flexible Working Policy, which has been enabled by our 'work anywhere' IT strategy.

We are extremely proud of how our employees responded to the challenges of COVID-19, demonstrating resilience and cohesion, proving we can face future challenges in the same way.

Jakob Sigurdsson
Chief Executive Officer



40% – target for females in our leadership group by 2030.



Inclusion and diversity

As an inclusive employer we continue to be fully supportive in our engagement of current and prospective employees regardless of gender, age, disability, ethnicity, etc. We have continued to ensure all our recruitment and selection processes support an inclusive approach at every stage of the process. This has included working with external recruitment agencies on supplying us with diverse shortlists as a critical part of our agreement with them.

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 whom 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.

FY 2021 has seen a step change in our approach to inclusion and diversity with more invigorated activities with an initial focus on gender and STEM.

Our focus for FY 2021 has seen the:

- Contribution to the Inquiry into APPG equity in the STEM workforce – July 2021 (all-party parliamentary group in the UK);
- Contribution to the Science Industry Partnership report on equality, diversity and inclusion within STEM workforce;
- Establishment of a global strategic inclusion network. The network aims to review the strategic gaps in the inclusion agenda and identify the focus for the inclusion groups (employee resource groups);
- Establishment of Gender Engagement Networks globally. Whilst all our networks have the same strategic goals the regional nature of the groups enables the agendas to be reviewed through a regional-specific lens ensuring that the focused activities support the local requirements. The US group has been focusing on how men and women manage workloads differently including the focus on household activities;
- Launch of a mentoring programme which focuses on support for people who are under represented in the Company. Training was provided to all involved ensuring a consistent understanding of the programme and outcomes;

- Flexible Working Policy further enhanced and rolled out globally to all employees; and
- Increasing influence of the Race4equality group. Whilst operating out of the US the group has played a critical role in driving race messages across the Company in FY 2021. This has included the creation of two subgroups – one with a focus on education and the other on action.

We continue to focus on developing a future diverse workforce including consideration of greater ethnicity. Activities this year have seen:

- The development and delivery of a two-day virtual work experience programme which focused on BAME and female students and reached 38 participants.
- As part of our International Day of Women and Girls in Science we ran an empowering women event which was aimed at encouraging women into STEM careers. The session was run with Leeds College in the UK and focused on myth busting about jobs in science. Whilst this was a live event the recording has since been shared with multiple students.
- We have developed an 'Inspiring the Next Generation' playlist on YouTube which shows us showcasing case studies of women in Victrex talking about their job roles.

At the end of FY 2021, 67% of our Board were male and 33% were female. 33% of our senior managers were female*. In the grouping of senior managers and their direct reports, 53% were male and 47% were female. Of the rest of our employees 77% were male and 23% were female.

As at 30 September 2021:

	Male	Female	Grand total
Board of Directors	6	3	9
Senior managers*	4	2	6
Senior manager and direct reports	17	15	32
Rest of employees	654	197	851
Grand total (permanent employees)	664	202	866

* Defined as VMT members excluding the Board executive Directors. VMT members are listed on page 77.

We continue to be proud of our recognition programmes, celebrating the achievements of our employees through 'instant' and 'functional' 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 2021, there were 90 Above & Beyond Awards, 140 functional awards, 70 CEO Awards and 48 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:

- Running our quarterly staff briefings virtually again this year due to COVID-19 restrictions, which allow our employees to 'stay in touch' with our leadership team and hear about business updates. Our leadership team has also been running specific employee sessions which have covered topics including 'how we can make our meetings more effective' and 'improving speed and agility'.
- Brendan Connolly, our workforce engagement non-executive Director, has been virtually meeting with our employees globally to listen to employee voice, explore views and drive employee engagement.
- Following our 2020 Employee Engagement Survey we have been focused on driving improvements in the last twelve months. 64% of our employees feel that we have listened to their views in relation to improvements and 66% of employees believe that we will take action on making improvements. We established a specific group – Victrex Engagement Steering Team ('VEST') to drive progress and action.

Next year will see a continuation of our engagement activity including the latest bi-annual Employee Engagement Survey, to continue to ensure employee voice is embedded within our culture, built on innovation and delivering with speed and service.

Sustainability report continued



SOCIAL RESPONSIBILITY CONTINUED

Development

Employee development is always a focus and this year saw us embracing digital learning in a more active way by introducing a much more comprehensive e-learning and digital learning solution. This has been very well received and shows our employees increasing their volume of digital learning by a total of 705 hours specific to the new digital learning. Seminar based development has been limited for many employees this year due to homeworking and COVID-19. In our Operations area, it has continued to be of importance with 96% taking part in learning. Our ongoing focus on safety has seen 140 managers attend SHE Safety masterclasses and then workshops rolled out to all employees. 98% of employees have attended SHE sessions to date.

In FY 2021 we had 49 (40M:9F) employees on apprenticeship programmes including 5 (3M:2F) employees completing their qualifications. Employees across Victrex have completed 16,247 hours of learning in FY 2021.

Wellbeing

With many of our employees working from home through the majority of FY 2021, or in restricted operating conditions, due to COVID-19 the Safety, Health & Wellbeing of our employees has been our number one priority. A recent culture survey carried out reported that 67% of employees felt that Victrex is genuinely interested in their wellbeing, which is a 3% increase on the previous year. We introduced a number of initiatives over the last twelve months such as 'Wellbeing Wednesday' which focuses on a different topic each week such as menopause, mental health, etc. and provides employees with the opportunity to share personal stories. We held a dedicated virtual 'Wellbeing Week' which focused on topics such as nutrition, exercise, mind and health and fun activities. In November 2020, a number of employees took part in 'Movember' drawing support across our global community with a total of 37 marathons completed and over £8,500 raised.

Our annual Global SHE Day took place in line with the 'World Day for Safety and Health at Work 2021' in April, with our employees being given time to focus on healthy body, healthy mind and healthy eating. We held virtual workshops such as 'Posture Principles', 'Positive Wellbeing

Strategies in the Workplace' and 'What the Body Needs'. An employee shared their experiences and delivered virtual presentations on 'How to Avoid Burnout'. For our employees on site, socially distanced workshops were held and the day was a great success.

In addition to these initiatives, we also 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 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 2021 we have adapted our strategy to enable us to continue 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 have established a 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.

As part of our adapted approach, we developed a two-day virtual work experience programme aimed at 14–16-year-old students across the UK, with a focus on BAME and female students. This programme provided 38 young people with a total of over 380 hours of work experience, giving them insights across a range of careers including science and engineering to help prepare them for entering the world of work.

This programme was supported by our team of STEM Ambassadors which continues to increase year on year with 44 employees now engaged in the STEM Ambassador programme. During FY 2021 alone our educational activities impacted over 1,600 young people across 70 activities with a total of 320+ hours focused on inspiring the next generation in STEM.

In addition, our employees have donated 3,559 hours to the communities where they live and work, bringing us to a total of 10,575 cumulative hours to the community since 2013. Our target of 10,000 hours by 2023 has been exceeded two years ahead of target.

Throughout FY 2021 we have continued to support community initiatives including:

- UK government led National Apprenticeship Week 2021 – Victrex ran six 'Careers Workshops' over five days and developed several virtual resources to celebrate our existing apprentices and help educate young people in various career options available in their local area;
- Virtual Field Trip with over 70+ Materials Science students from the University of Manchester – adapting our usual on-site offering to provide insights into industry;
- UK Enterprise Advisor Programme focused on engaging with local schools to help develop their career programme offerings as part of our Cornerstone Employer membership (currently three advisors);
- Completion of BiTC's Responsible Business Tracker – a measurement tool to assess our performance as a responsible business. Built around the UN Sustainable Development Goals ('SDGs') – highlighting our commitment to responsible business improvement;
- Continued membership with Business in the Community ('BiTC') including 'Pride of Place' – focused on developing the Blackpool (UK) area to provide more opportunities for the community;
- New and continued relationships, to develop our STEM outreach offering, with organisations such as STEM Learning, Speakers for Schools, Careers & Enterprise Company, SIP and Catalyst Science Discovery Centre;
- Collaboration with Speakers for Schools, SIP 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 throughout the pandemic;

- Supporting employees, through our partnership with Science Industry Partnership ('SIP'), by upskilling some of our STEM Ambassadors to enable them to deliver impactful outreach programmes virtually;
- Launched a dedicated YouTube playlist focused on 'Inspiring the Next Generation' with a focus on gender inclusion across our business; and
- Supporting employees taking part in a range of online initiatives to help grow the STEM workforce – opportunities have included 'I'm a Scientist, Get Me out of Here!', 'Virtual Career Day' events, a range of online virtual case studies and more.

Community volunteering in action

Our global, employee-led, charity and community teams have continued to support the local communities where we work throughout FY 2021. Our key focus has been regenerating our local areas, global foodbank donations and a wide range of other community led initiatives aimed at giving something back.

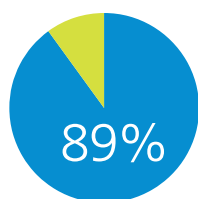
Victrex also remains active in the UK National Business Response Network (established by BiTC) – aimed at providing support for local businesses and charities throughout the COVID-19 pandemic.

In addition, Victrex has supported a range of charitable donations totalling £88,178 (FY 2020: £118,659).

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.

Participation in employee share schemes



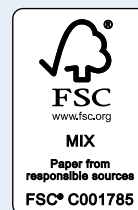
2021	2020	2019	2018	2017
89%	90%	93%	95%	88%

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

7%

Voluntary employee turnover

2021	2020	2019	2018	2017
7%	4%	5%	5%	3%



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Victrex plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Arcoprint, 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.



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