



**An innovative
world leader in
high performance
polymer solutions**

Introduction from the Chief Executive

Our reputation as an ethical and trustworthy business partner is one of our most valuable assets and is critical to our success. It is important we uphold our good reputation and can be trusted by investors and also our employees, customers, suppliers and partners.

David Hummel
Chief Executive



Our sustainability policy

Victrex is an innovative world leader in high performance polymers and sustainability is about doing business the right way, to enhance our already strong position in the market. The Board remains committed to a very clear Sustainability Policy which will help us as we grow over the years ahead:

- the Board values the sustainability benefits that Victrex products and services provide to our customers, for example, energy efficiency;
- the Board values Victrex's continuous improvement to become a more sustainable Company, by being more efficient with the resources we use and, in doing so, reducing our impact on the environment and reducing costs;
- the Board believes sustainability is key to growth and continuous improvement, that it delivers value for stakeholders and that it gives Victrex a competitive advantage; and
- the Board is committed to development and delivery of a long-term sustainability strategy as a core part of the Victrex business strategy that is embedded in our culture.

Dear Shareholder,
I am delighted to introduce our Sustainability Report for the year, which covers in detail how we are proactively embedding sustainability right at the heart of our business and how we believe sustainability can help Victrex succeed in the future.

Whilst financial results remain an important measure of success, to be a truly successful global business, we are working hard to continuously improve our positive impact on the environment and society, and progressively embed sustainability within our business.

In last year's Annual Report, we covered how we were enhancing our corporate responsibility and sustainability strategy, with a clear focus on our supply chain, our manufacturing operations, our impact in existing markets, resourcing and social impact, research and development and the development of new markets. We have challenged and refreshed our key priorities and metrics, helping to promote new activities, as well as bringing many existing programmes of work together and improving communications on the successes we are delivering in this area. Over the year, we made considerable progress,

including engaging with numerous key stakeholders, adopting new greenhouse gas emission reporting requirements, participating in the Carbon Disclosure Project for the first time and we formed a cross functional Sustainability Steering Group, chaired by a member of the Executive Management Team, and whose remit includes delivery of a range of sustainability programmes including, but not limited to:

- Our Products and Services
- Our Environmental Impact
- Our Employees
- Our Stakeholders
- Our Communities

Acting ethically and responsibly is not only the right thing to do, but also the right thing to do for our business, helping us to maintain our competitive advantage. Our reputation as an ethical and trustworthy business partner is one of our most valuable assets and is critical to our success. It is important we uphold our good reputation and can be trusted by all of our stakeholders, not just investors, but our employees, customers, suppliers and partners. Our Victrex Global

Code of Conduct ('Code') formalises the ethics that are fundamental to the way we already do business and is supported with key policies, including Anti-Bribery, Competition (Anti-Trust) and Data Protection. Through our Code of Conduct, which underpins our whole business, we demonstrate that we operate ethically, show integrity and act responsibly – simply the way we would expect others to work and to treat us. By complying with applicable laws, Company policies and this Code, we ensure that we conduct ourselves consistent with the highest ethical standards.

This has been a year of progress on our sustainability journey. Further detail can be found in the main body of the Sustainability Report, which I hope you find useful, informative and a measure of our performance so far.

David Hummel
Chief Executive
9 December 2013

Global Code of Conduct:
Learn about our Code
of Conduct on page **25**



Our sustainability priorities and where to find them in this report

Our Products and Services

To provide products and services to our customers that enable them to be more sustainable and competitive

page 26

Our Environmental Impact

To reduce the environmental impact of our activities by achieving the most efficient use of energy and minimisation of waste

pages 27–29

Our Employees

To attract, motivate and retain the best employees

pages 29–33

Our Stakeholders

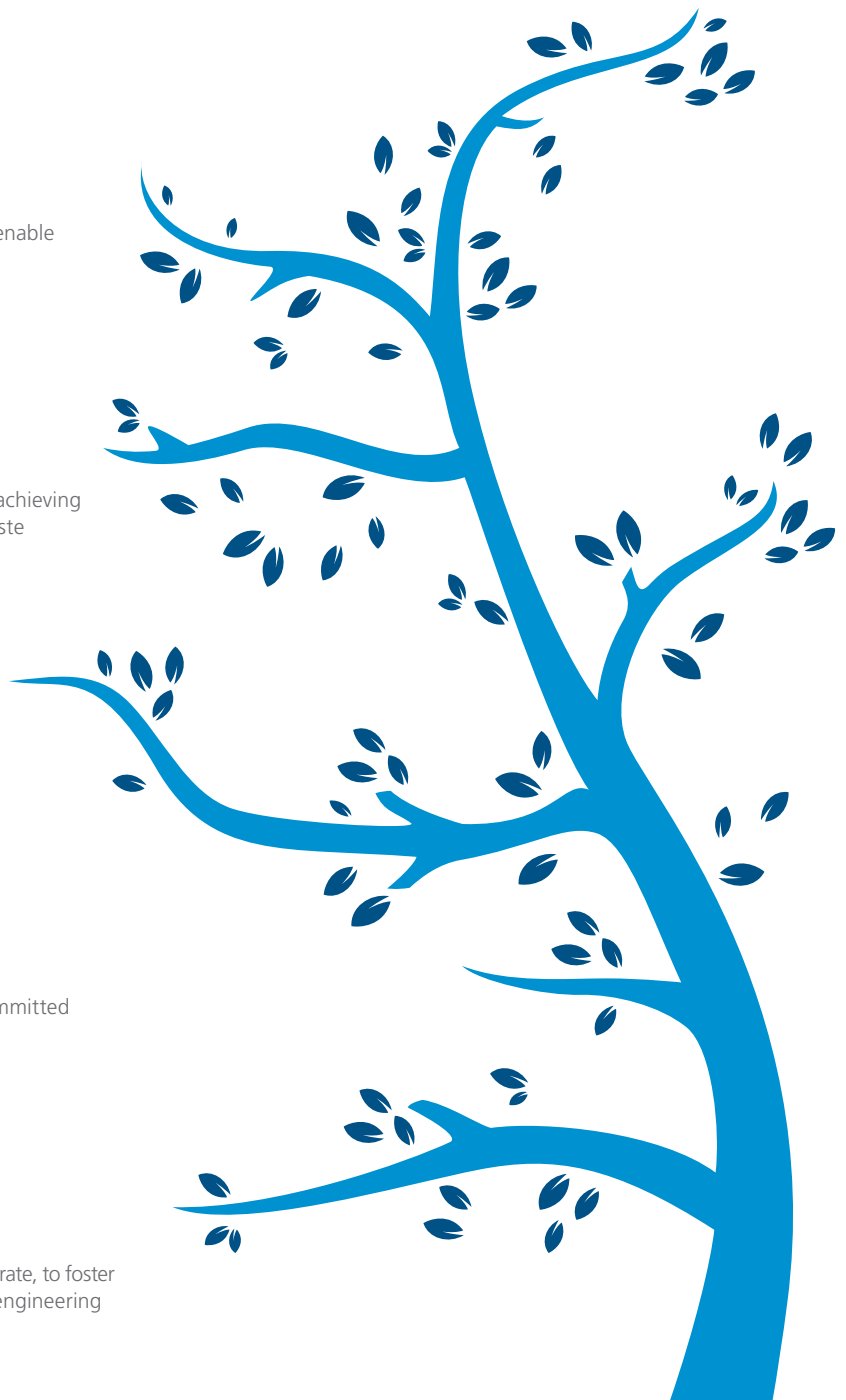
To assure our investors and stakeholders that we are committed to long-term business sustainability

page 33

Our Communities

To positively contribute to the communities in which we operate, to foster good community relations and to promote science and engineering

pages 34–36





Our success as a business rests on ensuring that the Company upholds the highest standards of integrity

Victrex Global Code of Conduct – doing business the right way

Underpinning each of our sustainability programmes and our whole business is our Global Code of Conduct.

Acting ethically and responsibly is not only the right thing to do, but also the right thing to do for our business, helping us to maintain our competitive advantage. The Global Code of Conduct, further details of which can be found in the Corporate Governance section starting on page 41, is a fundamental guide to upholding our good reputation as a business and one that can be trusted by our employees, customers, suppliers, partners, investors and all other stakeholder groups with whom we engage. Our success as a business rests on maintaining this trust and ensuring that we are a company that upholds the highest standards of integrity.



We have a zero tolerance to behaviour that breaches our Code of Conduct.

Our three principles of ethical business conduct are:

- 1** We are honest, transparent and trustworthy in all our dealings both within Victrex and in all our external business relationships.
- 2** We respect the privacy of individuals and other organisations with whom we work.
- 3** We investigate reports of potential breaches of the Code of Conduct.

Acting ethically: Victrex is a signatory of the Prompt Payment Code for suppliers





In Aerospace, VICTREX PEEK has helped to deliver up to 70% weight reduction versus metal

Our products and services

At Victrex, we enable many industries to deliver against their future challenges. In doing so, we are not only helping our individual customers solve problems, we are providing innovative and sustainable solutions across our markets, proving our real credentials in sustainability.

Our industries continue to be challenged to achieve higher performance with less: less material, less energy, less waste, less noise, less time, less cost. This drives the need for innovative designs using our materials and expertise to bring them to market. The unique combination of properties and physical forms of Victrex materials help customers deliver against these challenges. With proven expertise and over 30 years of experience, our customers choose to specify VICTREX PEEK in many of their applications, whether it be in aerospace to 'fly lighter', in automotive to 'reduce wear' and 'improve durability', in electronics to deliver 'thinner, smaller and smarter' devices, in energy to 'improve durability' and 'recover more', or in medical applications to help address an ageing global population.

We retain a strong and diverse development pipeline, with opportunities to target further market penetration or geographies through strategic marketing. Ultimately, we believe

our products and services will continue to play an important role in delivering real and sustainable solutions for our customers and markets. New materials, new applications, new forms and new geographies will all play a part in Victrex's future. As evidence of our commitment in this area, our research and development spend once again increased this year, representing approximately 7% of Group revenue.

We also continue to focus on a sustainable supply chain, including our own 'upstream' production assets at Rotherham and Seal Sands in the UK, as well as how we can sustainably source our raw materials into the future.

Lift off with Less

One of the principal challenges of today is emissions reduction by the transport industry. The transport industry alone accounts for around 27% of all CO₂ emissions globally. All modes of transport are faced with the challenge of reducing their environmental impact and this is not just an individual market or individual country issue.

In aerospace, this environmental impact is felt most keenly in the shape of fuel consumption. Fuel cost is now the single

most expensive component of the operating costs for airlines and has risen from around 15% to over 40% of total costs. This is where Victrex can help – providing innovative and sustainable solutions for our markets, with technological excellence in-built.

Aerospace engineers require lightweight, durable materials that enable system weight reduction which leads directly to fuel consumption savings.

In Aerospace, VICTREX PEEK has helped to deliver up to 70% weight reduction versus metal, whilst maintaining equivalent strength and stiffness. As an example, by removing 45kg (100lb) from each aircraft across a fleet of 500 can result in up to \$5m in annual fuel cost savings and 15,422 tonnes of CO₂ emission savings.

With proven expertise and real performance benefits, Victrex continues to show itself as the world leader in high performance polymer solutions, with over 30 years of experience in displacing metals, thermoset composites and other plastics in a growing number of industries, including the aerospace market.





Our priorities are the efficient use of energy and waste minimisation, and we are proactively delivering continuous improvement to address these areas

Our environmental impact

Victrex already delivers a positive benefit to the environment. Our products help our customers to make a sustainable difference by reducing their impact on the environment; for example, Victrex polymers help our aerospace and automotive customers to reduce the weight of their aircraft and vehicles to improve fuel efficiency and reduce CO₂ emissions.

At the same time, whilst we have an impact on the environment through the resources that we use to make our products and the processes that we operate, we actively control these impacts as we grow. Our priorities are the efficient use of energy and waste minimisation, and we are proactively delivering continuous improvement to address these areas.

Principal environmental impacts

The principal environmental impacts of the Group's operations are set out in the charts overleaf. These show energy use, water use and waste from our UK activities, which include all our manufacturing operations. The impact from our overseas technical and office facilities is not material and is not included.

Whilst our principal environmental impacts have not changed this year, we have enhanced what and how we report. We have reported data per unit of revenue to better align our indicators with our business strategy. In addition, to go beyond standard reporting and to demonstrate our progress in this area, we have reported absolute data.

This year CO₂ emissions are reported as separate indicators required as part of our greenhouse gas emissions report under the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013.

VICTREX GREENHOUSE GAS EMISSIONS 2013

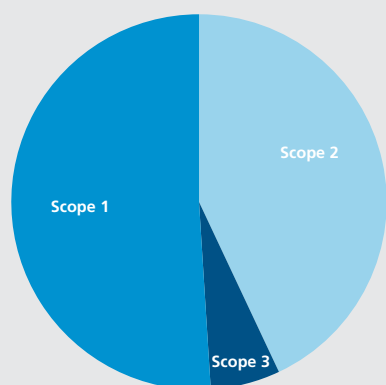
Greenhouse gas (GHG) emissions

Our 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 plant, technical centres and offices. No material emissions are omitted. Emissions have been calculated using data gathered to fulfil our reporting

requirements under Climate Change Agreements on two of our manufacturing sites. Emission factors are from UK government conversion factor guidance current for the year reported.

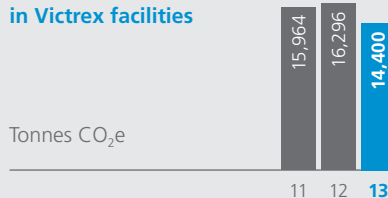
Emissions are predominantly from gas and oil combustion and electricity use on our manufacturing plant. Emissions from our overseas technical facilities and offices are low relative to those from our UK activities, hence our focus on UK metrics, reflecting our UK manufacturing footprint.

Tonnes of CO₂ equivalent



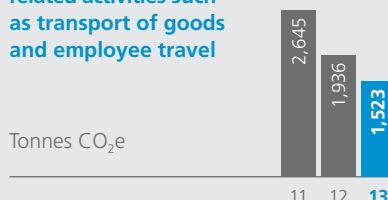
Scope 1

Direct emissions resulting from combustion of fuel in Victrex facilities



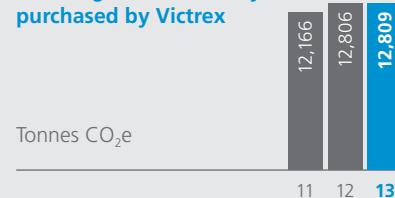
Scope 3

Indirect emissions from related activities such as transport of goods and employee travel

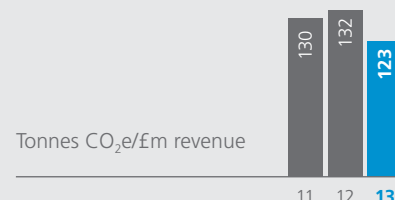


Scope 2

Indirect emissions resulting from electricity purchased by Victrex



Intensity measurement (scope 1 and 2)

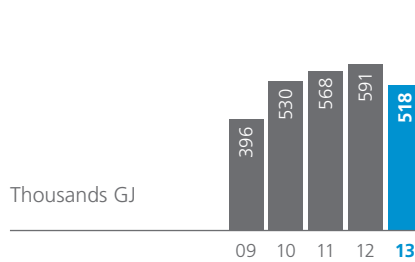


Our environmental impact continued

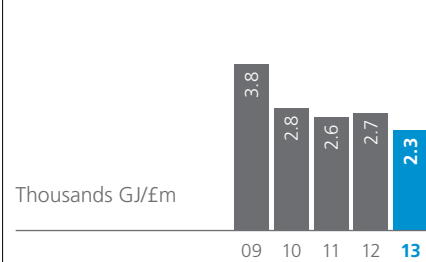
Energy use (UK Operations)

In line with previous reporting, energy use is reported for our UK manufacturing sites. The results this year are influenced by an improved method for calculating energy consumption at one of our manufacturing sites. Without this effect energy usage would still have reduced. Energy is a priority sustainability target for us whilst polymer manufacture is an energy intensive industry and we have an ongoing programme of work to identify how we can use energy more effectively.

Primary energy



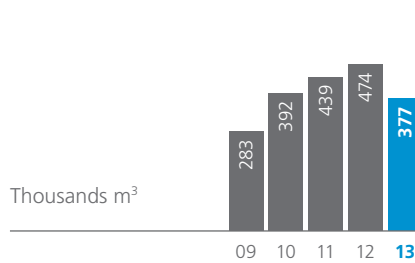
Primary energy unit revenue



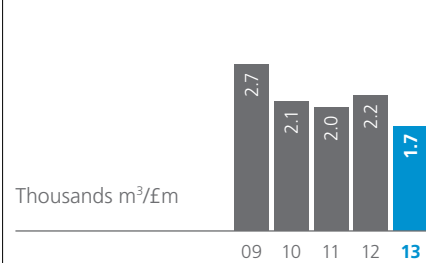
Water (UK Operations)

Water use is reported for our UK operations. Our overseas water usage is not material. Our manufacturing operations are not in regions which experience water shortages.

Water usage



Water usage per unit of revenue

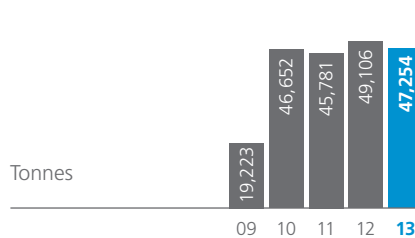


Waste (UK Operations)

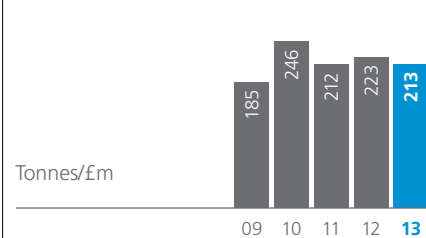
Whilst our manufacturing process generates hazardous waste, we work closely with licensed waste service providers to ensure that it is recovered, recycled or disposed of with minimal environmental impact. This is demonstrated by the metrics on disposal to landfill.

We have invested in improving and optimising the production process to reduce waste, but we are already striving to reduce it further. This is a priority sustainability objective and there is an ongoing programme of work to examine how we can further minimise generation of waste at source and how we can also recover value from waste generated – an example of the innovative thinking we have across our sustainability agenda.

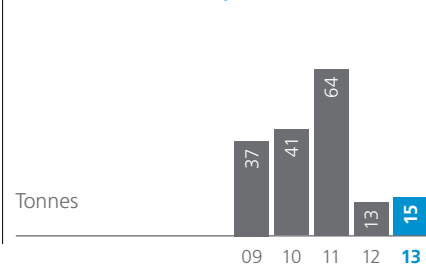
Hazardous waste produced tonnes



Hazardous waste produced per unit revenue



Hazardous waste disposed to landfill



Our employees

Compliance

Victrex is proactively staying well ahead of environmental standards.

Our manufacturing plants, which are all in the UK, are regulated under Environmental Permitting Regulations and, as such, are subject to close regulatory monitoring of environmental emissions. In 2013 our routine monitoring confirmed that all our UK manufacturing plants were being operated within agreed consent limits. We work closely with the UK Environment Agency on new projects to ensure that best available techniques ('BAT') are adopted during new plant design.

We continuously monitor and report our emissions performance and data. During the year there was one notifiable event. At our Rotherham manufacturing site, during plant commissioning, there was a short duration release of NOx gas; no harm to the environment was caused. There were no other notifiable events at any of our other manufacturing sites.

We are also pleased to have recorded another year with no prosecutions, fines or enforcement action from environmental or health and safety legislation.

REACH

We have well established arrangements in place to manage compliance with REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals Regulations). We also have arrangements in place to ensure that the 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. There has not been, and we do not anticipate, any disruption to the supply of products arising from the regulations.

Our continued business success is a reflection of the quality and skills in our talented and diverse global workforce. In a competitive global market, ensuring that we attract, motivate and retain our people remains key for Victrex. Our talent strategy is led by the Chief Executive, supported by the Group Human Resources Director and the Managing Directors of each business unit.

Employee breakdown

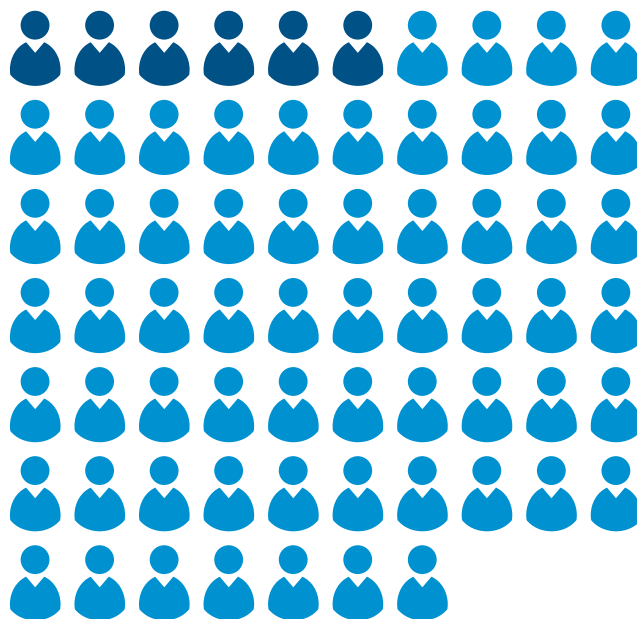
We continue to invest to support our future growth. This year we recruited 93 new employees to the Victrex team, as well as promoting internal talent within the business. We also celebrated our 20th anniversary this year, with employee numbers increasing from around 60 in 1993 to 670 now – strong evidence of the growth our business has delivered and with it, job creation.

As evidence of the diversity of our business – beyond our Board and Executive Management Team – which has continued to strengthen and diversify, our gender breakdown continues to show changes across the business. Approximately 80% of our employees are male and 20% female. On our Executive Management Team, one quarter of the team is female.

Victrex creating jobs

Employees

60
1993

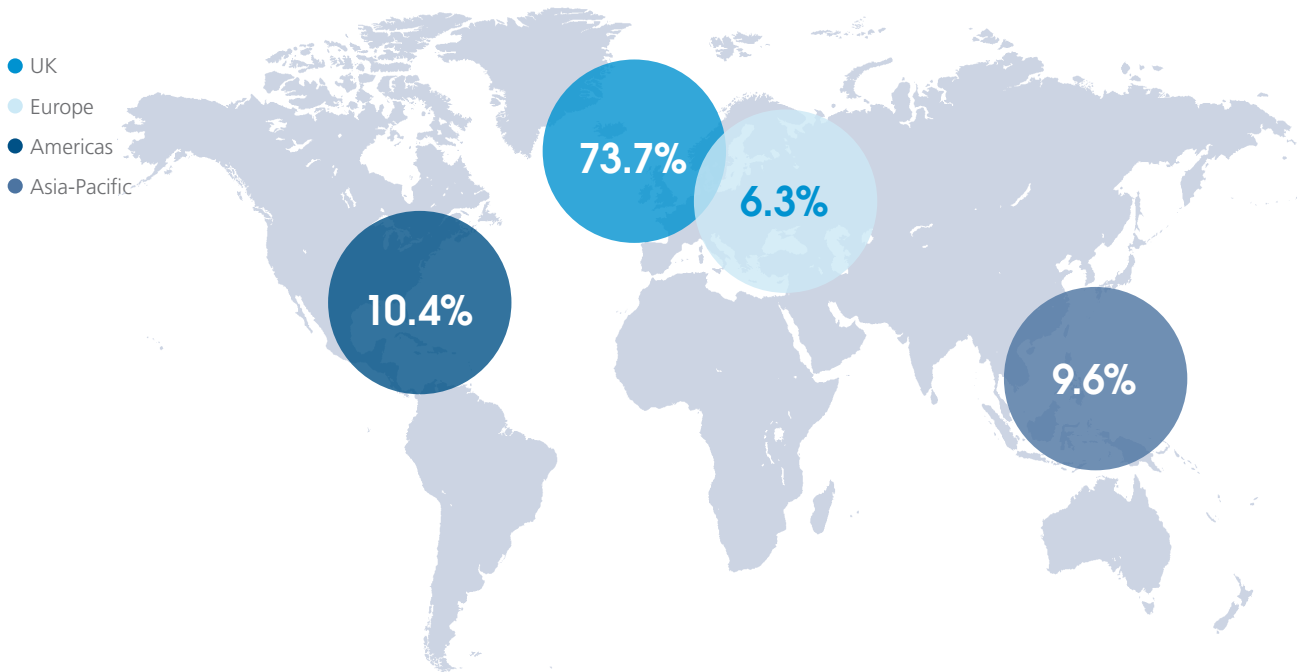


670
2013

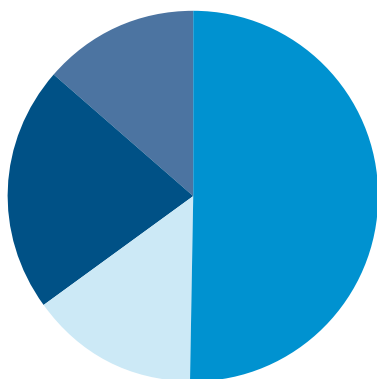
Our employees continued

Employee breakdown continued

Regional breakdown



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



	2013	2012
Operations	324	304
Technical	96	88
Commercial	138	137
Administration	86	78
Total	644	607

Following the development and implementation of the Group-wide people strategy in 2012, 2013 has seen the roll out of Organisational Effectiveness programmes in each of our key functional areas. This will ensure that we have the right people in the right roles to meet the needs of the business today and as we grow. These changes have enabled us to standardise and streamline activities whilst creating specialisation where appropriate, enabling enhanced career progression and succession planning.



We are continuing to develop our performance review process to ensure we reflect our high performance culture

We continue to invest in the training of all our employees, through both an informal and formal route. Assessment of individual training needs comprises a key element of the annual appraisal process which is undertaken by all employees. This year has seen us roll out programmes globally across different employee groups. We are continuing to develop our performance review process to ensure we reflect the high performance culture within Victrex.

Diversity

In Victrex, diversity encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking style, experience and education. We believe that the wide array of perspectives that result from such diversity promotes innovation and business success. We operate an equal opportunities policy and regard this as a commitment to make full use of the talents and resources of all our employees, and to provide a healthy environment which will encourage good and productive working relationships within the organisation.

Despite being an asset-based business, Victrex is a solutions provider and our differentiator – beyond being a manufacturer – is the strong research and development skills to ensure we continue to lead the way in product development. Victrex relies heavily on the skills, experience and competence of our employees to produce our products safely and efficiently, develop innovative new products and support business development in our existing and new markets.

We seek to:

- provide a clean, safe working environment which meets all legislative requirements and to provide all the necessary training support for employees to operate safely within it;
- provide appropriate remuneration for work carried out and equal opportunities for development and career advancement;
- be intolerant of any unacceptable working practices such as any form of discrimination, bullying or harassment;
- prohibit illegal activities on our sites; and
- promote fair, ethical and transparent business practices both within our business and in dealings with external stakeholders.



20 years and more to come: Victrex employees and guests celebrate our 20 year anniversary

Our employees continued

Health and wellbeing

Victrex places a high priority on the health and wellbeing of employees and promotes this in a number of ways. Occupational health and private medical services are available for all employees. In addition to this, 2013 has seen the roll out of a number of other health and wellbeing services to employees and their immediate family members. These services include an advisory service and online interactive portal, access to expert medical information, advice and recommendations, a bereavement and counselling service, and a probate helpline. These free, confidential, easy to access services are provided as an employee benefit and are designed to help employees lead a happy and fulfilling life.

Alice Matthews
Victrex employee

'It's a great job seeing product development from start to end'



Involvement

The Group places considerable emphasis on two-way communication and involving our employees in the business. We have a number of channels to keep employees informed on matters relating to the performance of the Group or relating directly to them as employees, formally through the Staff Committee, Union Partnership Meetings or via quarterly global staff presentations, email communication and the Group intranet to which all global employees have access.

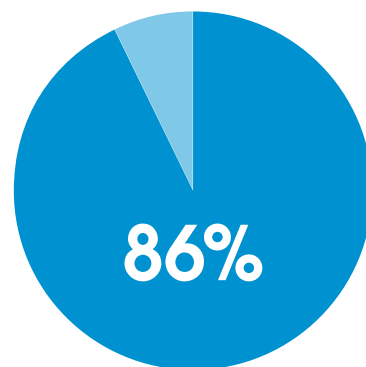
The Company supports employee share ownership and, where practical, offers the opportunity to participate in share schemes. As at 30 September 2013, approximately 86% (2012: 93%) of employees worldwide were participants in employee share schemes, principally as option holders under the Company's employee share option schemes.

We also sponsor pension plans for employees throughout the world. Details of the Group's principal pension schemes are set out in note 14 to the financial statements.

We believe it is important to recognise and reward long serving employee's loyalty and commitment to the business. During the year the Long Service Policy was extended globally with 10, 20, 30 and 40 years being formally marked with a presentation and gift. In 2013 27 employees received a long service award.

Largely as a result of the above approaches, Victrex has low voluntary employee turnover.

Participation in employee share schemes



2013	2012	2011
86%*	93%	85%

* Excludes recruitment during 2013

Voluntary employee turnover



2013	2012	2011
2%	3%	3%



We have a strong risk management culture and believe that good health and safety management is just one part of it

Occupational health and safety

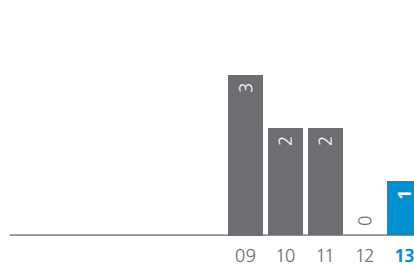
Protecting the occupational safety and health of all our employees along with contractors and visitors to our sites remains the highest priority for Victrex and we have a strong track record.

In 2013 the Group was again recognised for its strong health and safety performance. We received the Royal Society for the Prevention of Accidents ('RoSPA') Order of Distinction award, in recognition of sustained occupational health and safety achievement after winning 16 consecutive Gold Awards.

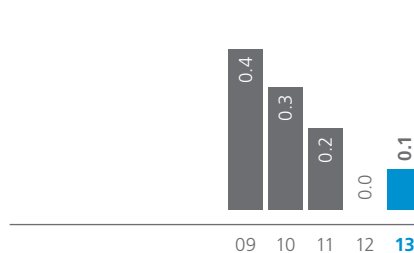
Despite our track record, we set targets to drive continuous safety, health and environment ('SHE') performance improvement. During the year, there was only one employee with an over-7-day reportable injury and the frequency of injuries remains low. There were no cases of reportable ill health. This has been achieved by establishing and maintaining a strong health and safety culture throughout the business, in particular regular safety audits are completed by Directors and managers, annual workplace safety training has been delivered to all operations teams, and health and safety learning is shared across the business. We have a strong risk management culture and believe that good health and safety management is just one part of it.

The occupational health and safety of contractors working on our sites is of equal importance as that of our employees'. There has been significant contractor activity on major projects during the year and over 170,000 man-hours have been worked with no contractor reportable injuries. This has been achieved by working closely alongside project principal contractors to ensure that robust project health and safety procedures are in place and that they are actively monitored, audited and reviewed.

Employee reportable injuries



Employee reportable injury rate per 100,000 hours worked



Man-hours worked with no contractor reportable injuries

170,000

Cases of reportable ill health

0

Our stakeholders

As an innovative world leader in high performance polymers, and as a successful global business, we continuously work to meet the expectations of our key stakeholders on sustainability issues including our customers, end users and suppliers. This year, we have engaged with customers, employees, investors, community organisations, sustainability consultants, suppliers, regulatory bodies and rating agencies, understanding what we do well and what areas we can improve. We remain committed to regular engagement with key stakeholders, so we can ensure our strategy aligns with their needs and expectations.

We also engage in two-way dialogue, for example hosting meetings with ethical investors or working with trade associations and industry to understand how Victrex can become a better business. At an individual level, our Directors are involved in a variety of education and professional bodies. In March, we signed up to be part of the Cogent Science Industry partnership, which is setting apprenticeship standards for technicians. We also completed our first year as a member of Business in the Community ('BITC'), looking at how we can continue playing an active role in the community.





We continue to invest in recruiting and developing young people through our advanced apprenticeship programme

Our communities

Working with the local communities where we operate is a key focus for us, helping to ensure that the Victrex name is synonymous with good business, but also helps us to establish our employer brand and reputation, in turn helping us to secure the right skills for our future development. Over the last year Victrex has participated in a range of activities within the local communities where we operate including charitable giving, offering apprenticeships, awareness in schools, advancement of research work at universities and offering work experience to students of all ages at varying stages of their academic careers.

We continue to invest in recruiting and developing young people through our advanced apprenticeship programme. This scheme is based on national standards, is fully monitored and trains apprentices in

process, mechanical or electrical technician skills. Currently there are ten apprentices participating in the apprenticeship scheme. All of our recent apprentices joined the Company as employees on a permanent basis.

In the UK, a proportion of the charitable donations budget is distributed by the Staff Committee mainly to local charities chosen from nominations made by employees. National or overseas charities are supported where there is strong employee involvement. The Group made charitable donations of £81,224 (2012: £59,735) during the year. No political donations were made (2012: £nil).

Number of apprentices in our apprenticeship scheme

10

Victrex was named in the top 20 Most Admired Companies in the UK by Management Today magazine



Promoting safety awareness

The management team leading the Victrex Powder Plant 3 construction and their principal contractor have taken a proactive approach to safety and reporting. The construction team is encouraged to report both hazards and good safety practices. Dependent on the number of reports submitted, a sum is donated to employee nominated charities on a quarterly basis. This team also reached out to

a primary school in the local community to promote safety awareness. A member of the Safety, Health and Environment ('SHE') team gave a presentation to year 6 pupils at the school. Children were then invited to design safety posters to be displayed onsite. Six winning entrants were invited to site to see their posters in situ and to meet the Victrex team. All competition entrants were given small prizes and a cash donation was made to the school.

*Safety first:
Pupils from Stanah Primary School
with their safety poster campaign*



Skills development

Joshua Bucknall, our second year engineering apprentice based at Hillhouse, our UK HQ, was awarded the Student of the Year award at Blackpool and Fylde Technical College whilst studying for a BTEC National Diploma in Engineering. This prestigious award was presented to Joshua by his course tutor Dave Gilmartin and Damian Johnson, Victrex Hillhouse Engineering Manager, during the annual awards presentation at the college. Joshua had previously won Springfields' Gareth Jobes Endeavour Award 2012 and this award is further recognition of Joshua's dedication, outstanding effort, commitment and quality of work.



Victrex hosts quarterly employee events to raise money for charity

Employee fundraising

Following the successful opening and launch of the newly built head office and technical centre in October 2012, quarterly employee events to encourage employee networking and to raise money for charity were introduced. All employees based on the Hillhouse site were invited to attend informal lunches provided by the company. During the year a total of £1,128 was donated to charity through employee donations.



Student of the Year:
Joshua Bucknall
Engineering apprentice



Employee fundraising:
Victrex employees at one of our fundraising lunches

Our communities continued

Training

As part of our focus on training and apprenticeships, we make an award each year, the Shaun Thompson Young Person of the Year Award. The award, which commemorates our first Victrex apprentice, is open to young people across the operations discipline. Recipients are nominated by their peers and the winner is selected by a committee made up of the senior Operations and Technical team.

The 2012 recipient was Instrument and Electrical Tradesperson, Matthew Kenny. Matthew was chosen due to his professional behaviour, dedication and the outstanding quality of his work. Pictured below is Matthew being presented with the trophy by Karl Thompson, Shaun's father.

Future initiatives

As we have developed our Sustainability Strategy, we have reviewed our approach to how we connect with our communities. Our focus is getting young people interested and excited about science, technology and engineering. To support this we have agreed a partnership with Catalyst Science Centre in Runcorn and are working with them to build an exciting, interactive exhibition, which we will then support local schools to attend.



Our focus is getting young people interested and excited about science, technology and engineering



*Training success:
Matthew Kenny receiving the
Shaun Thompson Young Person
of the Year Award*

consultancy, design and production by
| designportfolio |
design-portfolio.co.uk @WeAre_DP



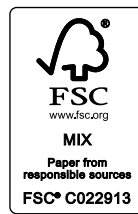
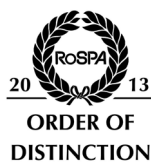
Visit www.victrexplc.com
or scan with your QR
code reader to visit our
Group website



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