

# 2020 UK Gender Pay Gap Report

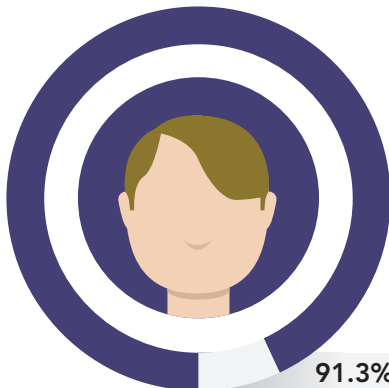
Since 2017, employers with 250 or more employees have been required to publish calculations each year showing the pay gap between their male and female employees.

We have carried out six calculations that show the difference between the average earnings of men and women who work for Innospec Limited in the UK. The data in the attached report relates to payroll data in the 12 months prior to 5th April 2020 (the 'snapshot date'). On the snapshot date we had 470 relevant employees, of which 68.3% were male (321 are male and 149 are female).

**470**  
employees

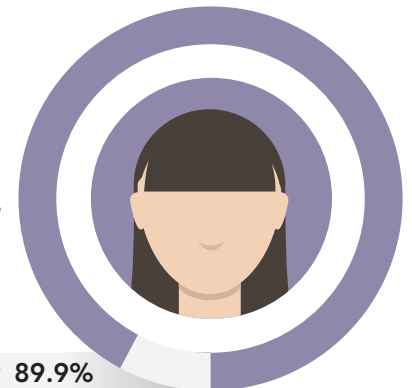
68.3% male

31.7% female



91.3%

Proportion of Male and Female employees receiving bonus pay 89.9%



Difference in Mean Gender Pay Gap in Hourly Pay

28.58%

Difference in Median Gender Pay Gap in Hourly Pay

34.22%

Difference in Mean Bonus Pay

70.38%

Difference in Median Bonus Pay

23.88%

We have observed a 2.42% improvement in our mean hourly rate gender pay gap. This is a positive change and is reflective of the 2.66% increase in women in the upper quartile band. This reporting year we made a number of significant senior female hires. In May 2019 we appointed a female Global Manager into our IT department and in November 2019 we appointed a female senior Legal Counsel. We also appointed a female board member in July 2019 who, due to being based in the US, is not included in the scope of this report which only covers UK employees.

Our bonus pay gap figures have been adversely impacted as a number of senior male employees cashed in their stock options. Stock options are awarded as part of the Innospec Limited management compensation and benefits package and are awarded on merit and grade and not on the basis of gender. We calculated the mean bonus pay gap figure excluding the stock option payments and got a figure of 51.92% which is a 1.88% improvement on the figure we reported in the previous 2019 Gender Pay Gap Report. The annual bonus scheme is a benefit that is available to all employees with the appropriate length of service and is designed to attract and retain the best talent and not discriminate based on gender or any other protected characteristic. The report shows a 6.48% improvement on the number of female employees receiving bonus pay. Whilst this is a positive improvement, it is still lower than the percentage of women who received a bonus in 2018 as, for the reportable bonus period, there were a number of women on maternity leave and a number who had recently joined Innospec Limited and did not have the length of service required to qualify for a bonus.

Although the data in this report indicates that there is a gender pay gap at Innospec Limited, we have observed notable improvements in our gender pay gap figures as outlined above. As an organisation we do not discriminate based on gender or any other protected characteristic and believe that the pay gap shown in our Gender Pay Gap Report is indicative of the industry in which we operate. A large proportion of our workforce are manufacturing staff which is a department with a predominantly male workforce. Within our manufacturing department, we have a very low staff turn over which means we have few opportunities to recruit new employees. However, when the opportunity to recruit does arise we follow a fair recruitment and selection process to hire the best talent based on merit. During this reporting period we selected and hired a female Apprentice out of a large number of male applicants to join our manufacturing Apprenticeship scheme.

This statement confirms that the published information is accurate at the time of publishing.

**Ian Cleminson**  
Executive Vice President  
and Chief Financial Officer

**Jo Catleugh**  
Head of HR

For and on behalf of Innospec Limited.



82%

upper quartile

18%

85%

upper middle quartile

15%

68%

lower middle quartile

32%

39%

lower quartile

61%

Proportion of male and female employees according to quartile pay bands.

