

## Social

Our employees are our most valuable resource and for our sustainability vision to be effective, we must have their best interests at the centre of everything we do. We are committed to recruiting high calibre employees and providing them with the information, training and working environment they need to perform to the highest standards. We encourage all our people to develop to their maximum potential and support them with human resources policies and practices that are strategically linked to the needs of our business and our customers.

[Read more about our human resources policies](#)

We have a strong tradition in Johnson Matthey for our good community relations. Maintaining and developing them are an integral part of making ours a more sustainable business. We have an important contribution to make to the economic development of our local communities, not only as an employer but also through collaboration and investment, both financial and in kind.

### Recruitment, Training and Development

Our success depends on the skills, qualities and wellbeing of our people. We have an effective, streamlined recruitment procedure to meet our steady requirement for high calibre graduates and offer a variety of career foundation training, including a new Technology Awareness Programme, to engage new recruits.

We also offer training and development programmes at middle and senior manager levels. Our aim is to retain high potential and high performing staff. Training is provided at our facilities around the world, in Europe, the USA and Asia. There is a high level of attendance by employees from Asia, particularly from our operations in Japan, China, Korea and India, reflecting the increasing importance of this region. We also encourage employees from acquired businesses to attend programmes to expose them to our wider company culture and help them integrate.

Presentations from senior executives anchor these programmes to the company's strategies and progress.

Providing career development to employees assists staff retention and, in turn, succession planning and the sustainability of management. Recruiting well qualified staff is vital to support business development in new and emerging markets. This challenge will be met through appropriate manpower planning, local recruitment and the encouragement of international mobility.

Our employees are being asked to engage in our Sustainability 2017 Vision. Without them, the vision cannot be achieved, and a group wide management and employee strategy for sustainability has been developed. The strategy provides opportunities for resource efficiency and revenue growth in environmental technologies. Employee engagement activities and management seminars will encourage local action and help to spread best practice throughout the group.



#### CASE STUDY

##### Jennifer Finds the Right Chemistry

[Read about one of Johnson Matthey's young scientists](#)

### Employee Relations and Communication

We communicate with our employees through our in house magazine, regular news bulletins, presentations to staff and team briefings. Employees are also encouraged to visit the company's intranet and website.

Johnson Matthey supports employee share ownership and employees have the opportunity to participate in share ownership plans, where practicable. Under these plans, employees can buy shares in the company, which are matched by a company funded component. Employees in six countries worldwide are able to contribute to a company share ownership plan or a 401k approved savings investment plan. Through these ownership plans, Johnson Matthey current and former employees collectively held 1.55% of the company's shares at 31st March 2008.

Involving employees in the company helps build shared values and commitment in the long term, and we are continuing to improve employee engagement through the site satisfaction and attitude surveys.

After a successful pilot survey last year, we are now running a global employee attitude survey in each of the operating divisions on a rotational basis, starting in summer 2008. The first global business to run the survey will be Emission Control Technologies (ECT). The results of the survey will be published and the findings used to help identify issues for action and give guidance on optimum working environments.

As work on our sustainable strategy takes off, employee communication will have a vital role to play.



#### CASE STUDY

##### Improving Employee Communications and Engagement

[Read about our pilot employee survey and our future plans](#)

### Health and Wellbeing

We want our employees to be healthy and realise their potential. We have increased our investment in programmes to improve employee health and wellbeing and promote work performance. Our various efforts, which include improving attendance management and rehabilitation case management programmes, have led to a reduction in the rate of sickness absence.

[Read more about our health and safety performance and achievements](#)



>£1m

amount donated over three years to causes we support

## Our Performance and Achievements

Annual group wide data collection processes are used to gather core information on Johnson Matthey people and the key data sets are presented below. Employee data relates to the calendar year 2007 (unless otherwise stated) for the continuing businesses and excludes 658 employees transferred out of the group with the completion of the sale of the Ceramics Division on 28th February 2007.

The following tables set out the average number of people employed by Johnson Matthey and the net change in the average number of people employed during calendar year 2007 by geographical region and by employment contract.

### Average Number of People Employed

Average headcount for calendar year 2007 (continuing businesses)

Region	Total permanent employees	Temporary contract employees	Total
Europe	3,959	89	4,048
North America	2,450	69	2,519
Asia	742	23	765
Rest of World	679	2	681
Group	7,830	183	8,013

### Annual Change in People Employed

Net change between 31st December 2006 and 31st December 2007 (continuing businesses)

Region	Total permanent employees	Temporary contract employees	Total
Europe	+201	+38	+239
North America	+124	-18	+106
Asia	+102	+8	+110
Rest of World	+110	0	+110
Group	+537	+28	+565

There has been a net annual increase of 565 people in the group (between 31st December 2006 and 31st December 2007) with an increase in all geographical regions. The highest growth year on year has been in the Rest of World (18.2%) and Asia (15.2%). Within those regions we have seen the highest annual growth in employee numbers in China (53.5%), Mexico (17.6%) and South Africa (17.3%).

The quality of its employee relationships is a priority for Johnson Matthey. The company has a low voluntary staff turnover (7.6% in the calendar year 2007) with many employees staying with the company for their whole careers. The table below sets out the employee turnover for the calendar year 2007 by geographical region. The employee turnover figure is calculated by reference to the total number of leavers during the year expressed as a percentage of the average number of people employed during the year. The analysis does not include agency workers not directly employed by Johnson Matthey. Overall group employee turnover is at the same level as 2006.

### Employee Turnover by Region

For calendar year 2007 (continuing businesses)

Region	Total leavers	Employee turnover	Voluntary employee turnover
Europe	298	7.4%	5.8%
North America	247	9.8%	7.2%
Asia	177	23.1%	16.3%
Rest of World	74	10.9%	9.1%
Group	796	9.9%	7.6%

### Trade Union Representation

Johnson Matthey continues to maintain good and constructive relations with all recognised trade unions with the overall level of trade union representation remaining relatively stable at 34% during 2007, down 3% on the figure recorded in 2006. From 12th to 25th September 2007, production was affected at our emission control catalyst plant in South Africa by a 14-day national strike in the components industry, led by NUMSA (National Union of Metalworkers of South Africa). Other than this event, no working time was lost elsewhere within the group due to employee action.

The following table sets out the average number and percentage of Johnson Matthey employees who were covered by collective bargaining arrangements and represented by trade unions by geographical region during the calendar year 2007.

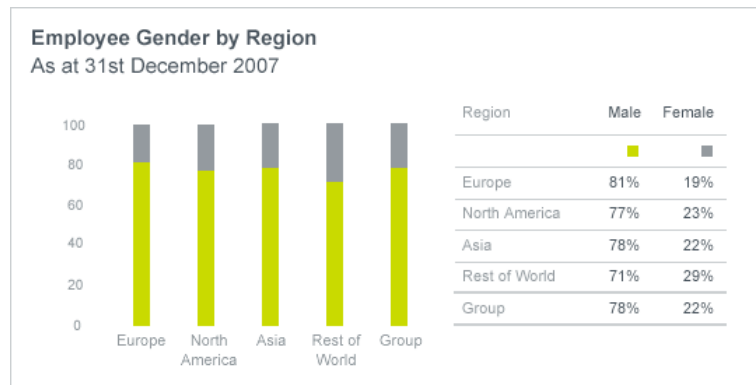
### Trade Union Representation

Average headcount for calendar year 2007 (continuing businesses)

Region	Average headcount	Average represented	% represented
Europe	4,048	1,951	48%
North America	2,519	620	25%
Asia	765	0	0%
Rest of World	681	169	25%
Group	8,013	2,740	34%

## Diversity

The figures below set out the gender breakdown of Johnson Matthey employees by geographical region at 31st December 2007 and the gender breakdown of Johnson Matthey employees recruited into the group by region during the calendar year 2007.



## Training and Development

There has continued to be a high level of training activity during 2007 and the following table sets out, on a total and on a per employee basis, the days of training and the spend on training during the calendar year 2007. The training spend does not include the cost of in house training or the cost of the employees' wages during training.

**Training Days and Spend on Training**  
Calendar year 2007 (continuing businesses)

	Total days / shifts training	Number of days / shift training per employee	Total training spend £	Spend per employee £
Group	31,308	3.9	2,620,540	327

The number of days of training per employee has remained constant and the overall spend on training is 3.5% higher than that recorded in 2006. This reflects the ongoing investment in skills and training as the business develops and grows in all regions of the world.

The strong and continuing commitment to the training and personal development of all our employees is reflected in the fact that in 2007 around 494 internal promotions were actioned, representing 29% of all the appointments made in the year and equivalent to one internal promotion per 16 employees within the group.

[Read more about recruitment, training and development](#)

## Attendance

The overall attendance rate in 2007 maintained the good performance reported in 2006. The average number of days lost per employee in the calendar year 2007 due to sickness and unplanned absence was 5.2 days. This represents 2.1% of lost time per employee in the working year.

**Attendance per Employee**  
Average headcount for calendar year 2007 (continuing businesses)

	Number of days / shifts lost per employee	% of lost time per employee
Group	5.2	2.1%



**7.6%**

voluntary employee turnover

## Community Engagement

### Supporting our Local Communities

Johnson Matthey is actively involved in programmes worldwide that promote good community relations to foster a relationship of understanding, trust and credibility. Guidance on site requirements is detailed in the group environment, health and safety management system. Data relating to charitable donations and community activities is presented for the financial year from 1st April 2007 to 31st March 2008.

Our strong tradition of community engagement has continued during 2007/08. An annual review of community engagement activities across the group has been carried out and shows that 100% of Johnson Matthey operations with over 50 employees participate in activities within their local communities. These activities are wide ranging and include charitable giving, support for educational projects, the advancement of science, and economic regeneration projects.

The review also indicates that for those operations with over 50 employees involved in community engagement activities, 94% have a nominated person with responsibility for this area, a similar percentage to last year. Looking ahead to 2008/09, the review shows that 92% of operations with over 50 employees have set objectives for their community activities, with 78% having some planned activities for the year. The review also indicates that 75% of these sites have specific budgets allocated to community engagement activities for the 2008/09 financial year. Johnson Matthey employees also participate in activities or hold community related roles outside the work environment. The company supports this broader community engagement and allows employees time off during working hours as appropriate.



#### CASE STUDY

##### Keeping Teesside Green

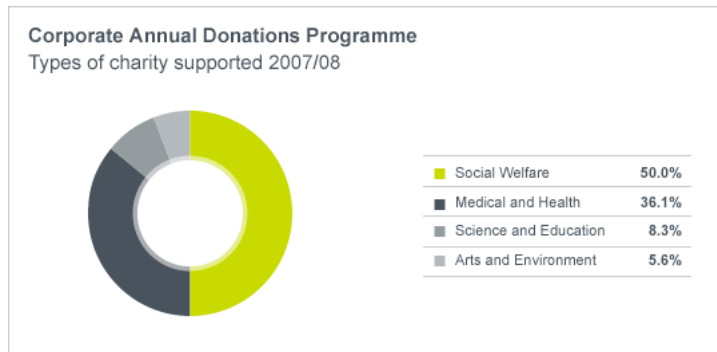
[Read about how our employees are working to enhance their local environment](#)

### Charitable Programmes

Johnson Matthey's long history of support for charitable causes continues today through programmes at both a group and a business unit level.

At a group level we operate a corporate charitable giving programme which is administered by the charity committee and coordinated on a day-to-day basis by the Director of Investor Relations and Corporate Communications. An annual report of charitable activities is made to the Chief Executive's Committee and the causes supported are aligned to issues to which the company makes a contribution and about which our employees are passionate.

In 2007/08, Johnson Matthey supported 36 charitable causes through its corporate annual donations programme. These included support for organisations working in the areas of arts and the environment, medical and health, science and education, and social welfare. 50% of the charitable organisations supported were social welfare causes. A total of 78 additional charities received one-off donations through the corporate programme during the year.



In the UK, Johnson Matthey continues to operate its annual charity of the year programme and employee views are considered when deciding on the charity. EveryChild was chosen as our charity of the year for 2007/08. Johnson Matthey sites around the world also lend support to many other charities locally and nationally through donations, employee time or loans of company facilities.



#### CASE STUDY

##### Charity of the Year – EveryChild

[Read about our charity partnership for 2007/08](#)

The Johnson Matthey Educational Trust was set up in 1967 to commemorate the 150th anniversary of the founding of the company and awards scholarships to support the university education of the offspring of Johnson Matthey employees and retired employees. During the year the Trust approved grants totalling £44,500.

In the financial year to 31st March 2008 Johnson Matthey donated £415,000 to charitable organisations. This figure only includes donations made by Johnson Matthey and does not include payroll giving, donations made by staff or employee time. The company made no political donations in the year.



**100%**

of operations  
engaging with their  
local communities

**92%**

of operations setting  
objectives for community  
activities

## Our Aims and Targets

### Employees

The commitment of Johnson Matthey's employees will be key in delivering our Sustainability 2017 Vision. Communication, engagement and training will be a priority over the next year to build on the work we have done since the vision was launched.

[Read more about our Sustainability 2017 communications with employees.](#)

The next employee survey (covering our global Emission Control Technologies business) will take place in summer 2008 and we will publish its findings in next year's report.

We will review the [2007 performance data](#) to help identify best practice and develop action plans to support business needs. We now have four years of data in this area from which we will highlight key trends. Further work will be undertaken to research and agree appropriate benchmarks for comparative and continuous improvement purposes.

Our people targets and plans are set at a business unit level to reflect the specific objectives and strategic issues faced by the business units. These may be supplemented by group initiatives, for example those relating to Sustainability 2017.

### Charity and Community

We aim to integrate plans and targets for community activities into standard business planning procedures both at corporate level and at sites. This includes budgeting for community and charity activities and responses to specific engagement activities. Business sustainability plans (introduced from 2008/09) are expected to incorporate a community element. We will continue to offer further support to sites in developing and implementing meaningful community programmes and facilitate the sharing of best practice across the group. We will conduct the annual review of site community engagement activities again and continue to focus on how best to measure and improve the impact of our community involvement.

We will continue to support a wide range of charitable causes in 2008/09. In particular, we are developing a specific programme of support focused on promoting the understanding and awareness of science among children and young people. Encouraging the next generation of scientists is very important to the sustainability of our industry and we will continue to contribute our resources and expertise.



#### CASE STUDY

#### Be The Change!

[Read about how we are supporting this sustainable development action programme](#)

