

Health and Safety

We are committed to minimising the health and safety related impacts for employees, customers and communities arising from our operations and from our products in use.

Many of Johnson Matthey's products and services make a contribution to enhancing general health and wellbeing or provide safety benefits. We manufacture a range of products used in medical applications. These include opiates, such as morphine and codeine, for pain relief, platinum containing anticancer drugs used in chemotherapy treatments and 'Bitrex', the world's bitterest substance which is an aversive added to household cleaning products to prevent accidental swallowing by children. Our emission control catalysts, which are used to reduce harmful emissions from vehicles and industrial processes, have a major impact on air quality for millions of people around the world.

Read about our policies and how we manage health and safety.



CASE STUDY

Green Light for Sustainable Health at Macfarlan Smith



Health: Our Performance

We continue to embed the principles and values of sustainability into group and local level health programmes.

During 2009/10 a sustainable health leading metrics scorecard was developed to drive further improvement in the performance of preventive health initiatives and an evaluation trial is underway at all facilities. Each facility management team has been asked to self rate performance to determine the degree to which 14 key preventive elements of Johnson Matthey's sustainable health programmes have been implemented. These 14 elements include health planning, health programme auditing, chemical exposure management and wellness support programmes and ratings are made on a four point A, B, C, D scale: 'Developing', 'Controlling', 'Best Practice' or 'Advanced'.

Scores for each category are recorded on a one page scorecard to provide a visual analysis of strengths and development needs of facility health programmes. The scorecard is now being used to help guide prioritisation of sustainable health improvement planning for 2010/11 and beyond. The outcome of the evaluation trial will be presented in next year's Sustainability Report.

All facilities are required to conduct an annual sustainable health review and improvement planning process and in 2009/10, the proportion of facilities that reported compliance with the requirement rose to 84%, the highest level achieved since this corporate requirement was introduced in 2006.

Occupational illness incidence continues to be the most important metric of sustainable health performance in Johnson Matthey and a corporate reporting system is used to report and investigate occupational illness cases arising as a result of exposure to workplace health hazards. In 2009/10 the incidence of occupational illness reported was 5.2 employee cases per 1,000 employees (0.26 employee cases per 100,000 work hours) compared to 5.5 cases per 1,000 employees in 2008/09.

The group has introduced a target to reduce the annual incidence of occupational illness cases by at least 30% by 2013/14 from a baseline incidence of 5.3 cases per 1,000 employees in calendar year 2008 (to 3.7 cases or less per 1,000 employees by 2013/14). To help achieve this target, a new corporate chemical exposure management programme has been developed during 2009/10 which is now being implemented globally at all facilities. This aims to reduce the risk of chemical exposure related health effects to as low a level as is reasonably achievable.



Occupational
illness cases
down to
5.2
per 1,000 employees
in 2009/10



Image: © Karen Roach / Dreamstime.com

CASE STUDY

The True Cost of Illness

Health: Our Aims and Targets

Prevention of occupational illness remains our highest sustainable health improvement priority. Chemical exposure related cases and work related musculoskeletal disorders attributable to ergonomic work factors account for the majority of occupational illness cases.

A new corporate policy and guidance on chemical exposure management were developed in 2009/10. These will be fully implemented during 2010/11 at all facilities globally, supported by a detailed training programme. Facilities with a higher risk of chemical related occupational illness cases will continue to implement phased containment improvement plans.

In 2010/11 a new initiative will commence to develop and strengthen our current ergonomic risk management and musculoskeletal disorder prevention programmes.



CASE STUDY

No Place for Back Pain: Healthy Working at Pilar

During 2010/11 we will also develop a strategy for sustainable safety, health, environment and product stewardship management. Through this, the long term agenda to further develop sustainable health programmes in our business will be defined.



Target to reduce occupational illness cases by at least

30%

by 2013/14

Safety: Our Performance

Johnson Matthey is a chemical manufacturing business and a significant proportion of our employees work in production environments with chemicals and process machinery. Rigorous safety systems apply across all facilities and are essential if the group is to avoid accidents which could cause injury to people or damage to our property, both of which can impact the group's performance.

For Johnson Matthey, any accident is unacceptable and our target is zero greater than three day accidents. In July 2009, however, an employee of a contractor company who was engaged in work at Johnson Matthey's catalyst manufacturing site in Taloja, India received a severe electric shock while carrying out work at the site. Regrettably, despite hospital treatment, his life could not be saved. Investigations have been carried out by site personnel, supported by Group EHS department staff. A police investigation has also been conducted.

Accidents are actively monitored and detailed statistics are compiled monthly at group level. Any accident is thoroughly investigated to determine root causes and appropriate preventive and corrective actions are assigned.

Accident Statistics

	2010	2009	Change %
Incidence of greater than three day accidents per 1,000 employees	2.14	5.03 ¹	-57
Total number of accidents that resulted in lost time	60	106 ¹	-43
Total accident rate per 1,000 employees	6.77	10.83 ¹	-37
Total lost time accident incident rate per 100,000 hours worked	0.34	0.53	-36
Total number of days lost per 1,000 employees	64	124 ¹	-48

¹ Restated.



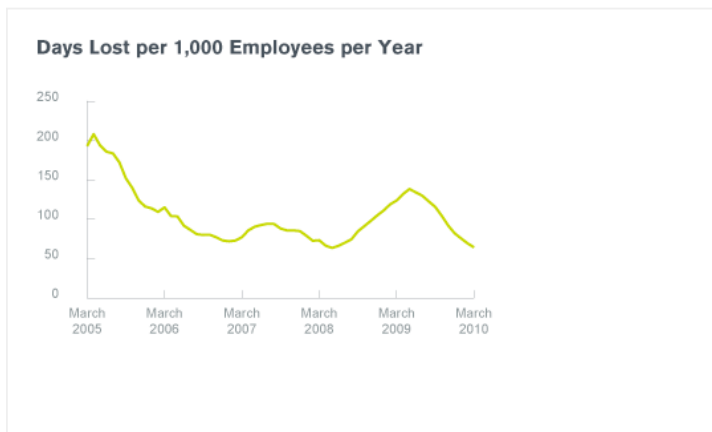
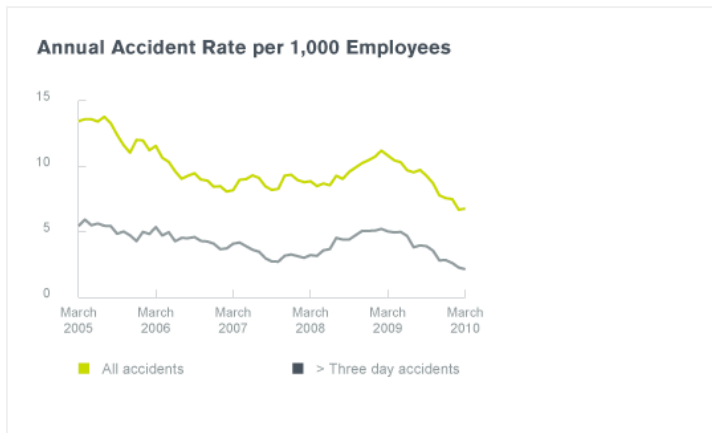
57%

decrease in number of greater than three day accidents

Lost time accidents

down **43%**

In 2009/10 Johnson Matthey's rate of occupational accidents involving lost time, shown in the table above, has fallen to its lowest reported level. Following our disappointing performance in 2008/09 the company took action to revitalise its accident prevention processes, introducing an EHS Learning Events programme. This group wide programme has already led to improvements in safety performance and a sharpened awareness and understanding of workplace risks. The EHS Learning Events programme will be updated and expanded in 2010/11 to incorporate the learning acquired during its first year. The group's five year performance is shown in the graphs below.



Accident Calculation Definitions

Johnson Matthey's definition of an accident for the purposes of this report is any acute unplanned event that causes harm to individuals, making them unable to attend work on days after the date of the event. Accidents are further subdivided into accidents that result in more than three days' work lost and those that cause three or less days to be lost. Accident incidence rates are calculated based on the rate of these accidents per 1,000 employees. The metrics used in this report are described in the performance summary.

Safety: Our Aims and Targets

In 2010/11 all facilities will aim to continue to make progress against the target of zero greater than three day accidents. Leading and lagging indicators have been integrated into site improvement plans to better monitor performance against these improvement targets.

Priorities in 2010/11:

- Complete the schedule of corporate environment, health and safety (EHS) audits at facilities across the group.
- Introduce new safety performance metrics specifically for contractors which are similar to those already in place for group employees.
- Encourage all facilities to report environmental and health related issues using the EHS Learning Events system in addition to those issues involving at-risk safety behaviour. Support and training to be provided as appropriate.
- Undertake specific process safety audits at two large manufacturing facilities, one in the UK and one in the USA.
- Complete a full review of the group EHS management system and revise the group's EHS policy as appropriate.



Zero
'greater
than three day'
accidents
safety target

Product Stewardship

Product stewardship involves an integrated approach to products, materials and services management designed to objectively assess and then minimise or eliminate the environmental and health related impacts of products.

As part of our commitment to sustainability, we appreciate that all the chemicals we use must be managed responsibly. Our product stewardship systems are aligned to a key goal in the 2002 Johannesburg World Summit on Sustainable Development to 'use and produce chemicals in ways which will lead to the minimisation of significant adverse effects on human health and the environment'.

Johnson Matthey maintains its long standing commitment to product safety and conducts systematic and rigorous evaluations of both new and existing products. Our product stewardship management systems focus on the characterisation of any risks associated with product use, a determination of related risk management measures and mechanisms to effectively communicate this information outside the company.

Our Performance

A systematic product responsibility reporting scheme (conforming to the Global Reporting Initiative Sustainability Reporting Guidelines) is used to monitor the performance of our operations and maintain surveillance of the company's products. No notifications of significant health effects at end user level involving our products and no major incidents or environmental releases during product transportation and distribution were recorded in 2009/10. Two minor regulatory infringements related to container marking requirements in Germany occurred in our Vertec business resulting in a combined penalty of €1,056 imposed during January 2010. Our heavy duty diesel catalyst business in the USA received one notice of violation concerning a mislabelled product and one other linked non-penalty notification of non-compliance from the California Air Resources Board. During the year there were a total of five self detected incidents of non-compliance with standards or codes of practice covering product hazard communication which were resolved internally by the businesses involved.

Further progress has been made on strengthening the core management systems, IT tools and competencies across the group's product stewardship teams. During 2009/10, three more compliance specialists were recruited to corporate product stewardship teams to support these efforts.

Johnson Matthey's businesses have management systems in place which assess the health and safety impacts of products during their various life cycle stages. This includes coverage of:

- The product concept and research and development stage. This activity is undertaken centrally or by businesses as appropriate.
- Manufacturing and production.
- Storage, distribution and supply into markets.
- The in-use service life phase.
- The end of life or reuse phase.

The group's product sustainability programmes are particularly focused on the selection of substances with superior profiles in terms of their potential impact on human health and the environment. During the year several businesses have updated their local restricted substance management programmes which are used in directing their choice of substances for new product development and for setting targets for the replacement of substances of higher concern.



Product Stewardship

Product Stewardship Targets

Johnson Matthey remains committed to driving improvement in product sustainability and effective product stewardship in both the external supply chain and our own operations.

Our product stewardship targets are to:

- Encourage the responsible management of substances throughout the supply chain.
- Enhance product sustainability as part of our overall corporate sustainability programme with a particular focus on managing restricted substances, the use of optimisation strategies during new product introduction and the application of green chemistry principles in product design. This aligns with our commitment to avoid substances of concern in the development of new technologies and to phase out such substances in existing products wherever feasible.
- Use systematic substance selection mechanisms to identify preferred alternatives in terms of human health and environmental safety.
- Continue to improve the publicly available information on the health and environmental effect profiles of any chemical substances placed on the market and link this to updated risk management measures.
- Promote the use of objective hazard ranking techniques and related exposure control targets for our chemical products and process intermediates. These will be applied in Johnson Matthey's workplaces and more widely in our product stewardship and risk management activities throughout the supply chain.
- Place emphasis on reducing employee exposure to hazardous substances in the workplace. In particular, our new chemical exposure management programme will continue to be rolled out during 2010/11, including the provision of hazard evaluation resources. Training will also be provided to all facilities to assist with its implementation.

Product Stewardship

Animal Testing

In common with all companies developing and marketing chemical substances, Johnson Matthey is obliged by international legislation to make toxicity information available to assure product safety for humans, wildlife and the environment. If we have confirmed that suitable data does not already exist, we always attempt to limit testing and avoid redundant studies by undertaking collaborative work with industrial partners. If *in vivo* studies are unavoidable, it is ensured that such work complies with applicable laws, regulations, licensing and welfare codes. Johnson Matthey only uses fully accredited contract research organisations and does not undertake any in house testing. No vertebrate animal studies are permitted to be commissioned by our businesses until a full justification has been carefully considered and approved centrally at group level.

Johnson Matthey has adopted the '3Rs' approach to enhance our reliance on properly validated alternative methods which reduce, refine or replace the use of animal testing and we have increased our use of the latest integrated testing strategies (e.g. *in vitro* assays, computer modelling of effects and test waiving requests). New techniques are actively tracked and implemented as they become endorsed by regulatory bodies. In particular, we have broadened the application of *in vitro* modelling systems, such as bioavailability assessments, which permit read-across to existing toxicology data and therefore can eliminate the need for new *in vivo* tests.

The group is committed to 3Rs approaches and over the last five years the proportion of alternative technique studies used in our toxicity testing has increased by 40% relative to the preceding five year period. There was a corresponding decrease in the proportion of vertebrate animal studies.

The group does not manufacture any cosmetics or consumer goods and any testing needs are therefore aligned to regulatory requirements for industrial substances. Any testing required as a result of the introduction of REACH is minimised by working within industry consortia. Across all our business activities, including those relating to REACH, our governing principle is that testing should be a last resort. We always apply test minimisation strategies, such as exhaustive literature reviews, and present weight-of-evidence or other study waiving methods to regulatory bodies.

Johnson Matthey shares current public and political concern over animal testing and we only commission studies when absolutely mandated by law and if no alternatives exist. We remain optimistic that advances in toxicology science will enable us to further reduce *in vivo* testing while continuing to protect human health and the environment.