



Johnson Matthey
Inspiring science, enhancing life

Conflict Minerals Disclosure

Johnson Matthey Plc

Financial Year 2021/22





Our commitment

Our products and services are at the heart of our sustainability strategy, enabling our customers to create a cleaner, healthier world. We want to ensure we make our products in ways that are ethical and respect human rights throughout our operations and value chain.

In Conflict-Affected and High-Risk Areas (**CAHRAs**)¹, the mining of tin, tantalum, tungsten and gold (**3TGs**) can be used to finance conflict between armed groups, fuel forced labour and other human rights abuses, and support unethical business practices. While Johnson Matthey has no mining operations in CAHRAs, we do produce certain products that contain 3TGs (eg, catalysts for the automotive sector).

Our Conflict Minerals Policy (**Policy**) sets out our commitment to source 3TGs in a manner that does not directly or indirectly contribute to such abuses and harms in CAHRAs.

This Annual Disclosure is made pursuant to article 7 of the EU Regulation 2017/821 (**Conflict Minerals Regulation**) on behalf of Johnson Matthey Plc and its group companies (**Johnson Matthey, JM, or group**).

1. Company Management systems

Governance

Our Conflict Minerals Guide sets out responsibilities for relevant employees and includes our escalation process when supplier risks are identified.

JM's **Group Leadership Team** (GLT) is accountable for JM's compliance with applicable conflict minerals legislation and the Policy. Johnson Matthey's Chief Procurement and Property Officer has overall accountability for responsible sourcing at a group level. To further enhance our sustainability governance, we recruited our first Chief Sustainability Officer who joined us in May 2022 and is a GLT member.

During May 2021, our **Societal Value Committee** (SVC) was formed. The SVC supports the board by overseeing the delivery of our Sustainability strategy. It oversees progress against our sustainability goals and targets, which includes our goal to uphold human rights throughout our value chains. The committee is a full board committee, chaired by independent non-executive director, Jane Griffiths. The SVC meets three times per year and is supported by the GLT.

JM's standard

The Policy includes our commitment to responsibly source 3TG aligned to the standards in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs (**OECD Guidance**).

<https://matthey.com/en/enhancing-life/sustainability-governance>

Progress this year

Within FY 2021/22, we developed a **Conflict Minerals Guide**, which accompanies our Policy and includes our Procurement and commercial colleagues' responsibilities for due diligence. Our Procurement community received an annual awareness training update to support the risk assessment and due diligence programme this year.

Engagement with suppliers

Our **Supplier Code of Conduct**, <https://matthey.com/en/about-us/partnering-with-us/supplier-code-of-conduct>, includes the standards we expect all our value chain partners to share with us and includes a section covering responsible / transparent supply chain management, with suppliers potentially sourcing 3TGs from CAHRAs in mind.

¹ As set out by the EU Commission



In addition to compliance with our Supplier Code of Conduct, any new 3TG supplier is expected to complete an industry-wide Conflict Minerals Reporting Template (**CMRT**) produced by the Responsible Minerals Initiative (**RMI**) before onboarding. Existing 3TG suppliers then must report to us on an annual basis in relation to their 3TG sourcing for the previous 12 months.

Cobalt Speak Up Case Study

During FY 2021/22, a customer used the Speak Up Line to raise a concern regarding the time it was taking for JM to respond to a cobalt due diligence request. As part of the review, we determined our procurement team made repeated requests to the relevant supplier for the necessary information. We escalated the unanswered request at the supplier, which we ultimately received and passed to the customer.

Although the speak up was not made in relation to 3TGs, it demonstrates our value chain partners are using our Speak Up Line as an effective grievance mechanism in relation to responsible sourcing of materials.

The speak up also highlighted we did not have a sourcing due diligence process equivalent to 3TG for cobalt*. In response, we are expanding the conflict minerals programme to include cobalt, which will be implemented in FY 2022/23.

Some of our customers, suppliers and other partners are based in parts of the world that represent a higher legal or reputational risk (including modern slavery and other human rights abuses). Our **Doing Business in Higher Risk Jurisdictions (HRJ) Policy** sets out how we manage these risks using enhanced due diligence.

*Our Battery Materials business had a responsible sourcing programme for cobalt, but that business will be disposed FY 2022/23.
2 These are examples and not an exhaustive list. 3TGs in our AGT Business and Health Business are not included in this disclosure, as
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To the extent any of our 3TG suppliers are located or directly doing business in these higher risk jurisdictions, they will undergo HRJ due diligence.

Our standard terms and conditions of purchase contain obligations on suppliers to supply goods that do not contain 'conflict minerals' as defined in the OECD Guidance.

JM's grievance mechanism

We promote a '**speak up**' culture encouraging everyone (employees and all other third parties) to speak up when they have a concern or are unsure about something.

Our Speak Up Policy notes human rights concerns can be raised through Speak Up
<https://secure.ethicspoint.eu/domain/media/en/gui/102574/policy.pdf>

In our Supplier Code of Conduct, we provide suppliers with the link to our independently run speak up helpline (accessed online or via telephone) where concerns can be raised 24/7 (**Speak Up Line**). This helpline is confidential and allows individuals, where local law permits, to remain anonymous.

During the financial year we did not receive any speak ups in relation to 3TGs, but we did receive a speak up in relation to the sourcing of cobalt. See case study for further details.

2. Identify and assess risk in the supply chain

3TGs purchased for inclusion in our products

As part of our annual risk assessment and due diligence process, during the financial year, we have identified we procure 3TGs for use in certain JM products. For example,² catalysts for the automotive sector, other catalysts, automotive parts, and ceramic products.

these businesses have been disposed of in FY 2021/22 and Q1 FY 2022/23, respectively.



Most notably, we use tungsten in some of our automotive catalysts with total expenditure less than 0.1% of our procurement spend.

Following identification of the relevant 3TG suppliers in our value chain, we require the 3TG suppliers to complete a CMRT. JM uses the CMRT to collect the names of the Smelters and Refiners (**SORs**) annually from the identified suppliers and to establish the origin of the 3TGs.

Procurement ensures the CMRTs are fully completed and they review the CMRTs against our standards. As part of this process, Procurement confirms the SORs have been validated by a recognised independent third-party audit programme (eg, Responsible Minerals Assurance Process ("**RMAP**") or equivalent).

Refining Operations

Our refining facilities in the UK, US and China receive platinum and palladium residues for refining, which can contain small quantities of gold as a co-product.

The US Dodd Frank Act and the Conflict Minerals Regulation do not apply to JM's refineries, but our UK and US refineries are on the London Platinum and Palladium Market's (**LPPM**) 'Good Delivery' lists for platinum and palladium and are subject to its Responsible Platinum and Palladium Guidance. We are audited annually and, following a successful second audit, we received new LPPM certificates in August 2021 confirming our ongoing compliance. We are currently undergoing our audit for financial year 2021/22.

We expect suppliers and refining customers to adhere to equivalent practices as those in our Platinum and Palladium Supply Chain Policy Statement <https://matthey.com/en/enhancing-life/sustainability-governance>) and to undertake appropriate due diligence on the counterparties from whom they source material.

3. Responding to Identified Risks

If there are any concerns identified in CMRTs that are not resolved after initial consultation with the supplier, these are escalated in accordance with our Conflict Minerals Guide. It is then decided what remedial action might be required or if the supplier is a suitable value chain partner. Red flags include:

- Supplier refuses to complete the CMRT or fills it out incompletely / incorrectly
- SORs listed by a supplier are not independently verified as part of the RMAP (or equivalent assessment) – this is elevated to the highest risk if the supplier also has stated the 3TGs have originated from a CAHRA or a Covered Country (as defined in the CMRT)
- Supplier has conducted less than 75% due diligence of its supply chain and does not have a legitimate explanation for this, and does not have a remedial action plan to rectify this
- Supplier is not using a recognised due diligence programme to gather information from its supply chain (i.e., not using CMRTs but simply relying on assurances from their suppliers or supplier policies).

We are committed to providing our customers with the 3TG information they require for their own responsible sourcing requirements. We use our Conflict Minerals Database to respond to customer requests for information on the 3TGs in our products.

4. Independent Third-Party Audit or SOR Due Diligence Practices

Suppliers must report to us on an annual basis by completing the CMRT to identify the SORs and whether the 3TGs originate from 'Covered Countries' or CAHRAs. The CMRT must include complete information regarding all SORs. We require any



changes affecting the information disclosed in the CMRT to be promptly reported to JM within the annual reporting cycle.

Case studies during the financial year

During the year several suppliers queried if they could rely on emails from their suppliers pledging responsible sourcing or links to responsible sourcing policies. We view this as an educational opportunity and our Procurement team works with our direct suppliers to explain why we need SOR information in CMRTs and ensure suppliers collect completed CMRTs.

We received a CMRT from one of our suppliers on a company wide basis without any SOR information included. After initial conversations with the supplier, this was escalated with the supplier. It was a productive conversation that confirmed the supplier's commitment to responsible sourcing, whilst acknowledging the continuous improvements they were making. It was agreed the supplier would provide a CMRT on a product basis with relevant SORs included.

Whilst completing a customer CMRT, our commercial team identified a SOR listed by two of our suppliers was no longer RMI conformant. We engaged with both of our suppliers, and both confirmed the SOR stopped operating for over a year and they no longer used the SOR. Both suppliers updated their CMRTs to reflect this removal and confirmed they would not use this SOR until such date it returned to the RMI conformant list.

5. Report Annually on Supply Chain Due Diligence

Not every company in the group is subject to the Conflict Minerals Regulation. However, to maintain our values and commitment to responsible sourcing, we apply our Policy and accompanying Conflict Minerals Guide across the group. Accordingly, this Annual Disclosure is made on behalf of the group.

Our Modern Slavery Statement for FY 2021/22 will be published in tandem with this Annual Disclosure and provides further detail in relation to JM's Human Rights Programme.

6. CMRT Survey

For 3TGs purchased by JM in calendar year 2021, we identified 76 relevant 3TG suppliers. Out of the 76 identified, 68 have completed CMRTs. This represents 89% of our 3TG suppliers.

We will continue to follow-up with suppliers who have yet to respond or have not completed the CMRTs to our Policy standards and escalate where necessary in accordance with our Conflict Minerals Guide.

7. Our Intent for FY2022/23

In accordance with RMI good practice, we intend to extend our Policy to include cobalt, identify our cobalt suppliers across the group and conduct due diligence in accordance with the RMI's Extended Minerals Reporting Template.