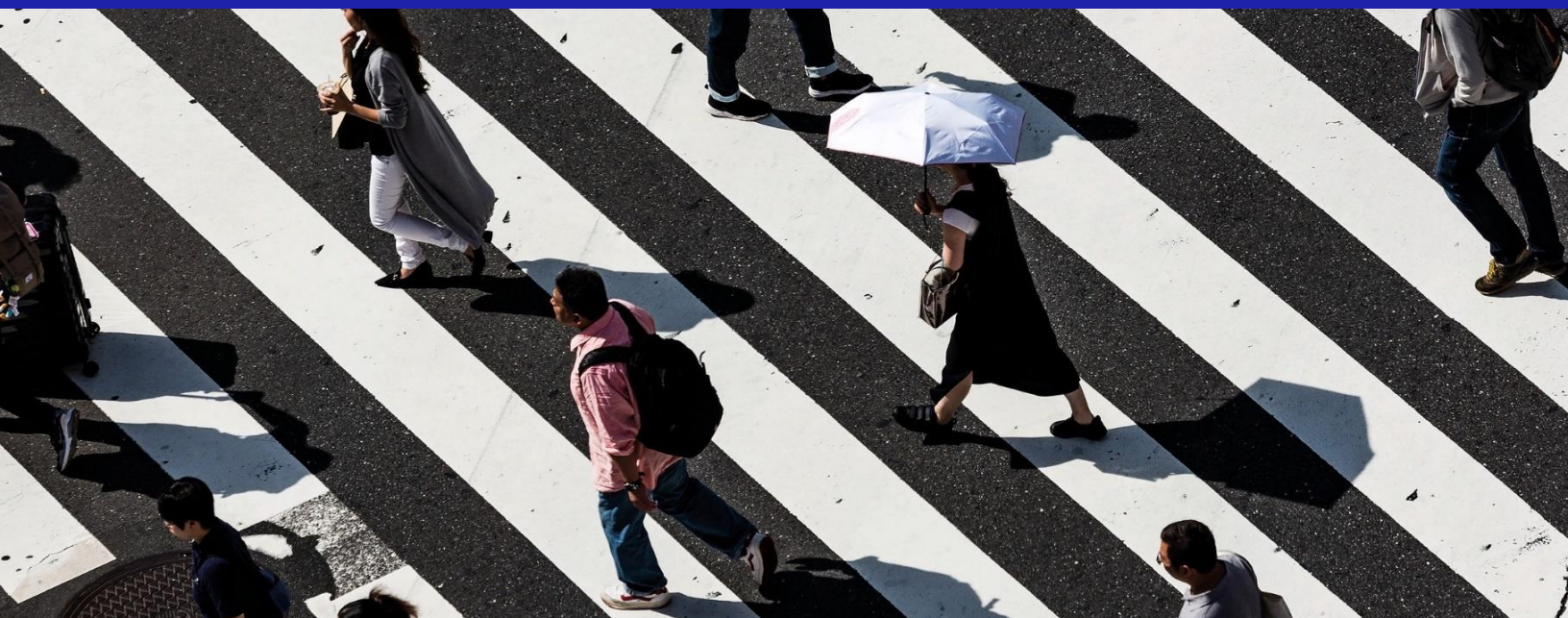




Modern Slavery and Human Trafficking Statement

Johnson Matthey Plc Financial Year
2020/21





Johnson Matthey Plc

Modern Slavery and Human Trafficking Statement for the financial year 2020/21 (Modern Slavery Statement)

This Modern Slavery Statement is made under Section 54 of the Modern Slavery Act 2015 and sets out the steps taken by Johnson Matthey Plc and its group companies¹ (**Johnson Matthey or JM**) during the financial year 2020/21 to prevent modern slavery and human trafficking in its business and value chains.

Key areas of focus in 2020/21 and our new human rights goal

At Johnson Matthey, our vision is for a world that is cleaner and healthier, today and for future generations. For over 200 years, we have run our business and used our science and technology to have a positive impact on peoples' lives. One of our values is protecting people and the planet, which includes ensuring that people working within JM's value chain are treated ethically and with respect.

Modern slavery is an important issue for Johnson Matthey, our people, customers, suppliers, and other stakeholders. In accordance with our values, ethical standards, and sustainability strategy, we are committed to ensuring no modern slavery exists in our business or value chains. This is Johnson Matthey's sixth Modern Slavery Statement. Johnson Matthey's previous Modern Slavery Statements are available on our website.

During the past year, we have continued to progress our programme to address modern slavery risk and increase value chain transparency and accountability. In particular, we:

- published our Global Conflict Minerals Policy, which, among other things, sets out our commitment to decline business with suppliers engaged (directly or indirectly) in modern slavery and other inhumane practices. The policy is aligned to the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (**OECD Guidance**). The policy is accompanied by a formalised due diligence programme regarding our sourcing of tin, tantalum, tungsten and gold (**3TGs**) to ensure we are applying a consistent approach across the group;
- issued an enhanced Supplier Code of Conduct which sets out the standards we expect all our value chain partners to share with us. It forms the foundation of our new supplier due diligence programme, which will roll out in phases during 2021/22. This programme will help us strengthen our supplier relationships, and support one of our new sustainability goals, which is to uphold human rights in our value chains;
- launched and implemented our Doing Business in Higher Risk Jurisdictions Policy and accompanying due diligence programme. The policy strengthens our existing approach and applies to all business undertaken by Johnson Matthey in jurisdictions which we consider higher risk from a compliance perspective, including those jurisdictions which pose a heightened risk of modern slavery and other human rights abuses; and
- progressed our responsible sourcing programme for our battery materials, which included conducting enhanced due diligence and audits to enable us to engage with two new strategic suppliers. This provides us long term security of supply of cobalt, lithium, and nickel, while delivering sustainable and responsibly sourced critical raw materials.

Following the end of the financial year, we have set ourselves ambitious sustainability goals and targets to accelerate a cleaner, healthier world. As part of our new sustainability strategy and framework, one of our goals is to uphold human rights throughout our value chains. **Our target for 2030 is to assess 100% of value chain partners for human rights risks and put remedial plans in place where high risks are identified.** We will use a risk-based approach in our assessments and where high risks are identified we will work closely with our value chain partners to put any necessary action plans in place.

¹ This Modern Slavery Statement is made on behalf of Johnson Matthey Plc and its group companies (including, but not limited to, Johnson Matthey Fuel Cells Limited, Johnson Matthey Davy Technologies Limited, Johnson Matthey Precious Metals Limited and Macfarlan Smith Limited).



In May 2021, the Johnson Matthey Plc board set up the **Societal Value Committee** to provide direction and oversight of our sustainability strategy, goals and performance against targets, which includes our goal to uphold human rights throughout our value chains.

Our structure, business and supply chains

At Johnson Matthey we are making it our business to help address the four essential transitions the world needs for a sustainable future: transport, energy, decarbonising chemical production and a circular economy. We will do this by drawing on our deep expertise in the transformative power of metals chemistry.

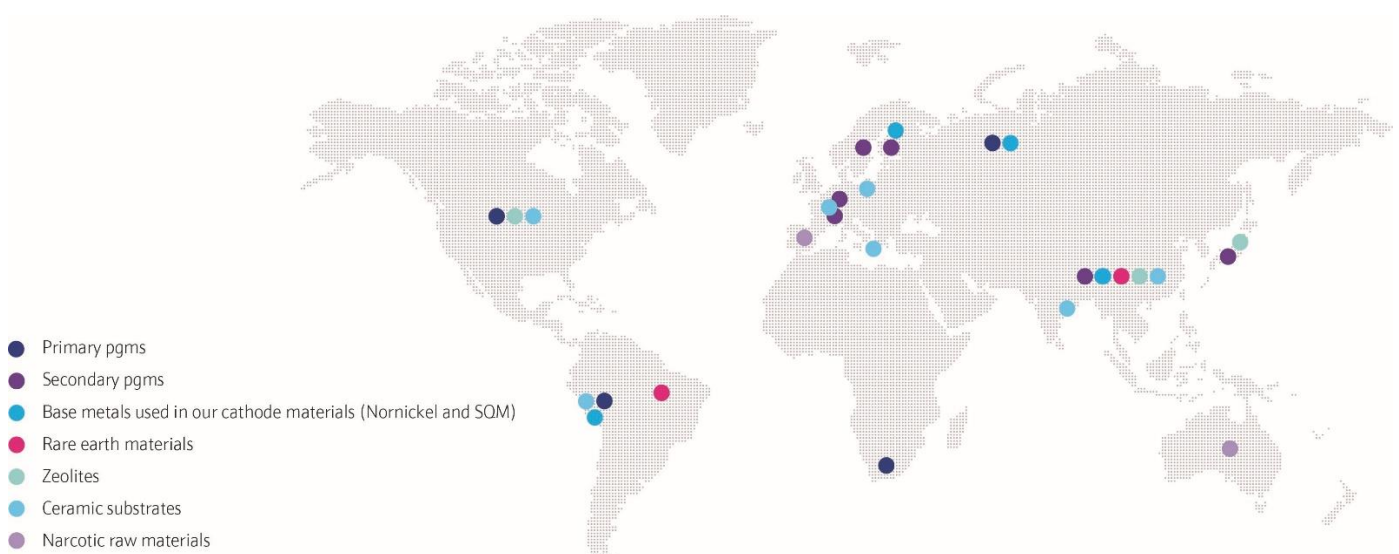
Our expertise helps us to make catalysts that remove pollution from cars, trucks and buses. It helps us develop new catalytic technologies that turn renewable energy sources into clean burning hydrogen and make clever new materials for batteries in electric vehicles. It helps us design highly efficient catalysts, chemical plants and manufacturing processes for our customers. And it helps us recycle and reuse critical metals so we can keep more of the scarce resources in the ground.

We have five values that guide how we operate at Johnson Matthey and shape the right culture to achieve our strategy: protecting people and the planet, owning what we do, innovating and improving, working together and acting with integrity.

We have a significant global presence in over 30 countries with annual sales (excluding the value of precious metals) in the 2020/21 financial year of £3.9 billion. Today, more than 14,500 Johnson Matthey professionals collaborate with our network of customers, suppliers, and partners to make a real difference to the world around us. Johnson Matthey spent £194 million on research and development during 2020/21. The percentage of sales from products that positively contribute to the four priority United Nations (**UN**) Sustainable Development Goals was 84.7%. Our sustainability target is to increase this to more than 95% by 2030.

We meet our customers' needs from our 30 major manufacturing sites across all regions (15 in Europe, 11 in North America, six in China, four in the rest of Asia and four in the rest of the world).

Due to the diverse nature of our manufactured products and markets served, Johnson Matthey has a complex and geographically broad range of suppliers of raw materials, goods and services into our business. Our supply chains are multi-tiered. Some of our strategic raw materials are available from only a limited number of countries. The countries where we rely on for these materials are set out below.





Policies

We have several group policies that reinforce our commitment to protecting human rights and reiterate our focus on the elimination of modern slavery and human trafficking within our business and value chains.

One of the main ways we promote an ethical culture at Johnson Matthey is through our global **Code of Ethics, 'Doing the Right Thing'**, <https://matthey.com/en/about-us/governance/code-of-ethics>, which is central to the way we act as an organisation. Our code underpins our values and strategy. It sets out our collective and individual commitment to conducting business the right way, following all relevant laws, regulations and industry requirements, and adhering to a high standard of ethics and responsibility. The code contains a section on human rights (including modern slavery and human trafficking) and a section on the integrity of our supply chains.

In March 2021, we issued an enhanced **Supplier Code of Conduct** <https://matthey.com/en/about-us/partnering-with-us/supplier-code-of-conduct>, which sets out the standards we expect all our value chain partners to share with us. It forms the foundation of our new supplier due diligence programme, which will roll out in phases during 2021/22. This programme will help us strengthen our supplier relationships and support our goal to address human rights risks across the lifecycle of our products.

The Supplier Code of Conduct contains a section dedicated to the expectations we have of our suppliers in relation to modern slavery. We expect suppliers to understand where modern slavery risk exists in their supply chains, take appropriate steps to address this, and ensure that equivalent standards to those set out in our code are cascaded to their suppliers.

The Supplier Code of Conduct also includes a section covering responsible and transparent supply chain management, particularly targeted at suppliers potentially sourcing conflict minerals and other base metals from Conflict Affected and High Risk Areas ("**CAHRAs**").

We expect our supply partners to complete self assessments under our Supplier Code of Conduct to demonstrate activity that already meets our expectations, any elements that they have committed to adopting or areas they are unable to support in the foreseeable future. This creates a level of transparency that helps us work with our partners to identify and address areas of risk and agree future action plans.

During the year we adopted a new global **Conflict Minerals Policy**, which is available on our website <https://matthey.com/en/enhancing-life/sustainability-governance>. The policy and accompanying due diligence programme is discussed in detail below.

Our Platinum and Palladium Supply Chain Policy Statement is available on our website <https://matthey.com/en/enhancing-life/sustainability-governance>. The policy and accompanying due diligence procedure applies to all our platinum and palladium suppliers and refinery customers. The policy statement sets out, among other commitments, that Johnson Matthey will not do business with suppliers that benefit from, contribute to or assist with any forms of torture, cruel or degrading treatment, forced or compulsory labour, child labour, other gross human rights violations such as widespread sexual violence, or war crimes or other violations of international humanitarian law. Risk assessments and due diligence under this policy are discussed in detail below.

During the financial year we launched and implemented our **Doing Business in Higher Risk Jurisdictions Policy**. The policy is designed to enhance our existing procedures. The policy applies to all business undertaken by Johnson Matthey in jurisdictions which we consider higher risk from a compliance perspective, including where jurisdictions are subject to international sanctions or particular export controls, have a reputation for widespread bribery and corruption, have a reputation for facilitating financial crime, and/or pose a heightened risk of modern slavery or human rights abuses.

The policy provides the minimum standards of due diligence required (including modern slavery considerations) to satisfy ourselves that we are comfortable with the levels of non-financial risk attached to any relationship or transaction in any of the higher risk jurisdictions. Since the launch of the policy in April 2020, we have reviewed 426 counterparties in the financial year 2020/21 against legal, compliance and reputational criteria and taken risk based decisions on their suitability as a JM business partner.

Within Johnson Matthey we promote a '**speak up**' culture encouraging everyone to speak up when they have a concern or are unsure about something. We also provide employees and third parties with an independently run



speak up helpline (accessed online or via telephone) where concerns can be raised. This helpline allows individuals, where local law permits, to remain anonymous. During 2020/21, 129 speak ups were received and investigated, which is in line with the industry norm for volume in similarly sized organisations. We view the total number of speak ups as a positive reflection of peoples' confidence in the process.

Risk assessment and due diligence

As part of our modern slavery programme, we have internally identified where we anticipate it is more likely that modern slavery risks will arise in our operations and value chains. This is based on the knowledge we have of our own operations and work we are doing as part of our Supplier Code of Conduct due diligence programme, based on the jurisdiction and taxonomy of goods and services that may be high risk from a modern slavery perspective. The current list is set out below. We envisage that as part of the workstream undertaken to achieve our human rights target by 2030, we will build upon our understanding of where our highest risks of modern slavery exist.

Potential modern slavery risks identified	Potential nexus	Actions to date
Cleaning, waste management, security, other house-keeping services	JM's operations	We are de-risking these services through our procurement category strategies
Operators in JM's manufacturing sites hired through labour agencies, especially where the operators are migrant workers	JM's operations	Where indicators of forced labour have come to our attention, we have specifically addressed these
Sourcing of raw materials	JM's value chain	We have primarily focused on implementing policies and/or procedures in relation to the following raw materials: 3TGs, platinum, palladium, cobalt, lithium and nickel
Value chain partners which are incorporated or provide goods/services in jurisdictions which are considered higher risk from a compliance perspective, including for modern slavery	JM's value chain	Since the launch of the Doing Business in Higher Risk Jurisdictions Policy in April 2020, we have reviewed 426 counterparties in the financial year 2020/21 against legal, compliance and reputational criteria and taken risk-based decisions on their suitability as a JM business partner

Focus on critical raw materials in our value chain

Our commitment to developing a sustainable ecosystem is critically important to our customers. Raw materials such as nickel, cobalt and lithium are forecast to be in deficit over the coming years due to increasing numbers of electric vehicles. Through two new strategic partnerships, we are providing long term security of supply while delivering sustainable and responsibly sourced critical raw materials. We have also formed a strategic partnership to secure supplies of critical platinum group metals required to accelerate new technologies for a low carbon future. The partnership will drive circularity and reduce carbon footprints in critical metal supply chains for customers across many global industries.

Due to the importance of these raw materials to JM, our customers and the planet, and the well documented human rights abuses (including forced labour) associated with the extraction and trade of base metals (especially cobalt and 3TGs), we have focused our efforts on strengthening value chain transparency and accountability in relation to the following raw materials: 3TGs; platinum and palladium; and cobalt, lithium and nickel for battery materials.



Conflict minerals – tin, tantalum, tungsten and gold

In CAHRAs, the mining of 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 such CAHRAs, we do produce certain products which contain 3TGs, and we are committed to ensuring the sourcing of 3TGs in our value chain does not contribute to such harms and abuses in these areas, including modern slavery.

To supplement our existing 3TG supplier due diligence programme, during the financial year we adopted a new global Conflict Minerals Policy. The policy reflects our commitment to responsible sourcing of 3TGs and is aligned to the OECD Guidance. We have strengthened our existing due diligence programme by transforming it to a co-ordinated group wide programme, to ensure a consistent approach across the group. We are currently working to embed the policy and updated due diligence programme throughout our global operations. Policy training and role specific guidance continues to be rolled out.

This year we continued to conduct due diligence of our 3TG suppliers using industry-wide Conflict Minerals Reporting Templates, developed by the Responsible Minerals Initiative (**RMI**). We review 3TG supplier due diligence against our policy commitments and expect the smelters and refiners, used within the supply chain of our suppliers, to have successfully completed an assessment against the Responsible Minerals Assurance Process standards (or equivalent cross-recognised assessment) and are RMI conformant. Any concerns arising from 3TG supplier due diligence will be escalated for resolution in accordance with our internal procedures. Refusal, suspension, or termination of business with the 3TG supplier may result as circumstances require.

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

In line with the European Union Conflict Minerals Regulation, we will publish an annual conflict minerals disclosure for financial year 2020/21 in tandem with this Modern Slavery Statement.

Cobalt, lithium, and nickel

We rely on critical raw materials such as lithium, nickel, and cobalt to make our battery materials. We are committed to only using ethically sourced raw materials to produce our cathode materials. To help us do that, we partnered with independent third party experts RCS Global in 2018 to implement an enhanced due diligence programme. This gives us full transparency 'back to mine' for all our raw materials that contain lithium, cobalt and nickel.

As part of our commitment to continuous improvement of the due diligence programme, we recently made updates to the supplier self-assessment and supplier audit questionnaires to ensure the approach continues to meet the changing market expectations. Our responsible sourcing audits are carried out in line with the OECD Guidance. COVID-19 restrictions meant during the year we had to pause onsite supplier audits in financial year 2020/21. However, we were able to continue self assessment audits and introduce several virtual audits of our strategic suppliers.

As the market for high performance batteries for electric vehicles takes shape, we want to help instil high ethical standards across the whole industry from the outset. We are active members of the Global Battery Alliance and are committed to its ten guiding principles to create a sustainable battery supply chain by 2030.

We also are an active member of the Cobalt Institute, which is a non-profit trade association that promotes the sustainable and responsible production and use of cobalt in all its forms. The Cobalt Institute launched the Cobalt Industry Responsible Assessment Framework (**CIRAF**) in 2019, which provides a good practice self-assessment and reporting framework against risks in cobalt supply chains. In early 2021 our battery material business completed an initial self-assessment against the scope of the CIRAF, concluding that its responsible sourcing programme for strategic raw materials covered the four material risk category areas within the scope of the CIRAF (fully aligned to environment, OHS and working conditions, human rights and partially aligned to communities). Further review of our alignment with CIRAF will continue as we engage with new suppliers and build our supply chains.



Our battery materials business will continue to enhance its responsible sourcing programme. We will continue to map and monitor our supply chains in 2021 to ensure we can comprehensively identify, assess, and mitigate potential sustainability risks in JM's battery materials supply chain. This includes identifying and mapping choke point suppliers (defined as refiners, smelters and treatment units as per OECD Guidance) as well as mines.

Platinum and palladium

We are committed to doing business in line with the OECD Guidance and the Responsible Platinum and Palladium Guidance (**RPPG**), issued by the London Platinum and Palladium Market (**LPPM**). Johnson Matthey Plc and Johnson Matthey Inc are accredited as good delivery refiners on the LPPM and we have implemented the RPPG for all Pt and Pd based material handled through our UK and US refineries.

To ensure compliance with the commitments in our policy statement and the RPPG, all our platinum and palladium suppliers and refinery customers are subject to a risk assessment and due diligence process. Modern slavery considerations form part of the due diligence process for those suppliers or refinery customers that have been identified as being medium and high risk.

We achieved third party assurance from LPPM-accredited auditors, RCS Global Ltd, that our pgms due diligence programme in 2019/20 complied with the RPPG. The audit report is published on LPPM's website. We are currently undergoing our audit for financial year 2020/21 and this will also be published on the LPPM's website when completed.

We also work with our customers through the International Platinum Group Metals Association (**IPA**) to ensure that we source our platinum group metals in an ethical manner. All mining members of the IPA have committed to obtaining third party assurance of their ethical mining practices to independently recognised standards, such as the Initiative for Responsible Mining Association and the International Council on Mining and Metals.

Our sustainability strategy and framework

Following the end of the financial year we've set ourselves new ambitious sustainability goals and targets to accelerate a cleaner, healthier world. Our goals are set out in three pillars.

Our goals are set out under three pillars:

Products and services

This is where we will have the greatest impact in accelerating progress towards a cleaner, healthier world.

Operations

We are also tackling the environmental footprint of our own operations.

People

We need the right people in our company and value chain to achieve this, and we will treat them and our communities in an ethical and respectful manner.



As part of the **People** pillar, one of our goals is to uphold human rights throughout our value chains.



Our target for 2030 is to assess 100% of value chain partners for human rights risks and put remedial plans in place where high risks are identified.

We will use a risk-based approach in our assessments and where high risks are identified we will work closely with our value chain partners to put any necessary action plans in place.

What we mean by human rights

We define human rights in-line with internationally recognised human rights, which are contained in the International Bill of Human Rights (including the UN Universal Declaration of Human Rights) and the International Labour Organisation Core Conventions, including the conventions on child labour, forced labour, non-discrimination, freedom of association and collective bargaining.

JM's approach to human rights is based on key frameworks that define human rights principles for businesses, including the UN Global Compact and the UN Guiding Principles on Business and Human Rights (**UN Guiding Principles**).

During the next financial year, in accordance with the UN Guiding Principles, we will identify the human rights at greatest risk relative to JM's operations or value chain, which we will focus on for our human rights target. One already identified is opposing all forms of modern slavery (forced or compulsory labour and debt bondage) and human trafficking in our business and value chains. As part of our human rights target and our overall human rights programme, we will focus our efforts on the following stakeholders:

- JM workers (senior managers, officers, directors, employees, consultants, contractors, trainees, homeworkers, part-time and fixed-term workers, casual and agency staff and volunteers)
- Workers within JM's value chain
- Communities where JM operates and where JM's value chain operates

Commitments

- We have committed to formal membership of the UN Global Compact by the end of 2021.
- We have also made a commitment to encourage greater diversity across our value chain through the introduction of a structured supplier diversity programme during 2022.

Governance

In May 2021, the Johnson Matthey Plc board set up the **Societal Value Committee** to provide direction and oversight of our sustainable strategy, goals and performance against targets, which includes our goal to uphold human rights throughout our value chains. The committee is a full board committee, chaired by an independent director and will meet three times per year. The committee will be supported by our Group Management Committee and the newly created **Sustainability Council**. The Sustainability Council has responsibility for providing direction and oversight of the workstreams engaged to achieve our sustainability goals and targets.

How will we measure our progress?

As this is a new target, we do not have a current baseline (percentage of value chain partners assessed for human rights risks) to measure against. During the next financial year we intend to identify the human rights at greatest risk in our business and value chain and define methodology to deliver and report on our human rights target.

Training and awareness

During the past financial year, we have focused our live virtual training on the implementation of our Conflict Minerals Policy and accompanying due diligence programme. We provided several awareness training sessions for procurement, commercial and legal functions, and a series of targeted training sessions (within the financial year and to date of this Statement) for key procurement and commercial employees undertaking the 3TG annual due diligence programme.

In October 2020 we retrained our employees on our Code of Ethics. Employees undergo Code of Ethics training every year, which reinforces key principles and takes a deeper dive into select topics on a rotating basis. One of



the topics selected this year was tackling modern slavery and reinforced our employees' responsibility for raising concerns regarding modern slavery in any part of Johnson Matthey or its value chains.

Employees also complete the code acknowledgement each year, which confirms they will adhere fully to the commitments in the code. We regularly review our training and communications materials and methods for delivery to ensure they remain relevant to the risks our business face.

In November 2020 we released a video entitled 'Modern Slavery – a supply chain perspective' on our internal communication channels for the benefit of our employees. The video included our Group Indirect Procurement Director and Responsible Sourcing Lead for battery materials discussing how JM is tackling the global issue of modern slavery, and specifically the steps our battery materials business is taking to address modern slavery risks.

Raising awareness of modern slavery, human trafficking and other human rights abuses will form part of our training for our employees on our new sustainability strategy and framework goals and targets.

Our intent

Our priority remains the health and safety of our people, customers, suppliers, and communities where we operate, and this includes our continued commitment to ensuring there is no modern slavery in our businesses or value chains. We will continue to progress our programme to address modern slavery risk and increase value chain accountability.

This Modern Slavery Statement was approved by the Johnson Matthey Plc board on 29 July 2021 and signed by Robert MacLeod, Chief Executive.

DocuSigned by:

C69FE8B1397F473...

Robert MacLeod, Chief Executive