

News Release

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Johnson Matthey announces strategic partnership for sustainable battery materials production and secures critical raw materials supply

- JM takes a further major step to create a leading, sustainable electric vehicle ecosystem
- Setting a new standard in sustainability with second plant to be powered by renewable energy, using responsibly sourced nickel, cobalt and lithium raw materials, and employing an innovative effluent treatment solution
- Strategic partnership with Finnish Minerals Group to locate second commercial plant for eLNO cathode materials, with nameplate capacity of 30kT, in Finland
 - Finnish Minerals Group to invest to develop integrated supply of critical raw materials and effluent treatment solution for JM plant
- Long-term sustainable supply of critical raw materials for Europe
 - Nornickel for supply of nickel and cobalt, and SQM for supply of lithium hydroxide

Johnson Matthey (JM), a global leader in sustainable technologies, today announces significant strategic developments in the commercialisation of eLNO – its portfolio of leading nickel rich advanced cathode materials – which put JM at the forefront of providing a sustainable and secure supply of cathode materials for customers, in line with our vision for a cleaner, healthier world.

1. Partnership with Finnish Minerals Group to support development of our previously announced second commercial plant, which will be in Finland, powered solely by renewable energy and incorporating an innovative effluent treatment solution
2. Long term sustainable supply of critical raw materials for battery materials production secured, creating an efficient battery electric vehicle supply chain – we have signed a term sheet for the supply of nickel and cobalt from Nornickel, and an agreement for the supply of lithium hydroxide from SQM

These important developments further strengthen our position in the value chain, setting a new standard of sustainability in the production of high performance cathode materials that enable greater adoption of long range, pure battery electric vehicles. Working together with these partners and building on our 45 years' experience in serving the automotive industry, we can deliver for our customers as they expand into the fast-growing battery electric vehicle market and ultimately give consumers confidence in both the performance and sustainability of their car.

Finland selected as location for second plant and partnership with Finnish Minerals Group

In scaling up our battery materials business, we have begun the front-end engineering design for our second commercial plant which we announce today will be located in Vaasa, on the west coast of Finland – a region that aims to create an ecosystem of sustainable technologies. Finland has a favourable battery materials ecosystem, offering reliable access to renewable energy, sustainable raw materials and proximity to major European automotive OEM and cell manufacturers.

As we invest to support our commercialisation, we have entered into a partnership with Finnish Minerals Group as it looks to further develop the Finnish batteries ecosystem. Finnish Mineral Group manages the Finnish state's mining industry shareholdings and aims to create an integrated electric vehicle battery value chain in Finland.

As part of our partnership, Finnish Minerals Group will invest in two key areas. Firstly to co-develop with JM an integrated solution to treat sodium sulphate, a common manufacturing by-product, providing a sustainable supply chain to conserve natural resources and protect the local environment. Secondly, Finnish Minerals Group will invest in pre-treatment technology of nickel and cobalt sulphates to tailor the materials to the requirements of high nickel cathode materials. The site will solely use locally generated renewable energy and we are working with the City of Vaasa to develop a sustainable heat recovery solution which feeds the local heating system network. These developments are a major step towards sustainable cathode material production, which our customers are increasingly demanding.

Our Finland plant will have a nameplate capacity of 30kT and, subject to board approval following completion of the design, we expect to start construction later this year supporting our progress towards securing customer contracts over the coming years.

Securing supply of critical raw materials

Our commitment to developing a sustainable ecosystem is critically important to our customers. With raw materials such as nickel, cobalt and lithium forecast to be in deficit over the coming years due to increasing numbers of electric vehicles, through our strategic partnerships we are providing long term security of our supply chain whilst delivering sustainable and responsibly sourced critical raw materials.

Developing an efficient, sustainable supply of nickel and cobalt with Nornickel

We announce today that we have signed a term sheet with Nornickel – a world leading supplier of refined nickel products – for the supply of nickel and cobalt from Nornickel’s metal refineries in Harjavalta, Finland and in the Kola region, Russia. This secures the supply of sustainable, responsibly sourced raw materials for our cathode material production in both Poland and Finland.

In addition to the supply of metals, JM and Nornickel also intend to collaborate on other important topics of the battery materials value chain, including on the digitalisation of the supply chain, circular economy opportunities, the application of a newly developed metal dissolution technology and further enhancement of the sustainability of the value chain.

Securing lithium supply with SQM

We also announce today that we have signed an agreement with our fellow Global Battery Alliance member, SQM – a world leading supplier of sustainable lithium products – to supply lithium hydroxide from its Salar del Carmen plant in Antofagasta, Chile.

The developments with Nornickel and SQM, in conjunction with the investment by Finnish Minerals Group, form an important part of the sustainable supply chain for our cathode materials plants in both Finland and Poland.

Robert MacLeod, Chief Executive, commented:

"The partnership with Finnish Minerals Group, and the long term supply of critical raw materials with Nornickel and SQM, are important milestones on our journey towards developing a sustainable battery materials ecosystem and further demonstrate the progress we are making on the commercialisation of our business. With sustainability at the heart of our strategy and an increasingly important requirement for our customers and consumers, we are delighted to be working with our partners to deliver sustainable cathode materials to the market."

Matti Hietanen, Chief Executive, Finnish Minerals Group, commented:

"We are very happy Johnson Matthey has decided to select Finland as the location of their second eLNO plant. Finnish Minerals Group and Johnson Matthey share a strong commitment to sustainable solutions, so we are excited to have signed a strategic partnership to develop novel solutions for sodium sulphate and raw material treatment. This is a strong testament of Finland’s leading position in developing a sustainable battery materials ecosystem in Europe."

Anton Berlin, VP Sales and Commerce, Nornickel, commented:

"We welcome JM’s decision to locate their plant in Finland which will further develop the Finnish battery ecosystem, and we are very pleased to establish a new long term relationship in the supply of nickel and cobalt. The product portfolio of our Finnish refinery in Harjavalta is a perfect match for the battery segment’s needs and this supply is another clear demonstration of our commitment to support the development of a sustainable European battery supply chain."

Ricardo Ramos, Chief Executive Officer, SQM, commented:

"We are excited to enter into a long-term supply agreement of Lithium Hydroxide with Johnson Matthey. Our companies have a strong commitment to the important transition to a zero-carbon transport. Last year we announced our goal to produce carbon neutral lithium products by 2030. We are the first lithium producer to join IRMA as a pending member and we believe it will help ensure the most comprehensive implementation of strict standards for sustainable lithium production in the Salar de Atacama in Chile. We are working on a major lithium expansion plan while at the same time reducing our environmental footprint by cutting our brine extraction and freshwater consumption in half by 2030."

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Notes:

eLNO is a trademark of Johnson Matthey Public Limited Company.

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