



# Johnson Matthey Gender Pay Gap Report 2021

**Johnson Matthey**  
Inspiring science, enhancing life



Johnson Matthey's combined UK gender pay gap has decreased from 6.7% to 5.4%. We continue to be well placed against the national average gender pay gap of 15.4% and while we have made progress, we will continue to work to address gender imbalance across our organisation.



# Introduction

Women currently represent

# 28%

of our UK employees

## 25%

of our board



## 43%

of our Group Management Committee



## 29%

of our senior management



## 30%

of our other management roles



Over the past few years we have seen positive shifts in our gender pay gap, so it is welcome news to report this trend has continued in 2021. Johnson Matthey remains committed to ensuring our workforce is diverse and fosters a culture of inclusivity.

Diversity and inclusion enables our innovation and agility. Our shareholders and customers trust us because our rich diversity is a hallmark of a sustainable, well-run business.

Integral to our culture are two fundamental beliefs that all differences matter and that all people are valued. Our integrity is a direct result of ensuring that all voices, however quiet, are heard. In JM we try to make sure everyone is able to bring their full selves to work.

In this report, we set out our UK gender pay gap information. We also provide some insight into this gap and run through current initiatives and future plans to improve our gender balance and ensure fair pay.

In April 2021, women represented 28% of our UK employees. Women also made up 25% of our board, 43% of our Group Management Committee, 29% of our senior management group and 30% of other management roles.

In 2021, we continued the trend of hiring a greater percentage of women. We know that growing female representation in our junior roles is critical to building a pipeline of senior women and we recruited 67% women in our graduate programme.

We have seen female representation in the senior levels of the organisation decrease and we are focused on our commitment to promote and retain women at all levels.



Liam Condon  
Chief Executive



Annette Kelleher  
Chief Human  
Resources Officer

# Gender pay gap key facts



The gender pay gap is the average difference in pay between men and women.



Women currently represent 28% of our UK employees.



The number of women employed in management positions is 30%



Johnson Matthey is committed to being a meritocracy where men and women are paid fairly.



Female representation is lower in our science, technology and engineering roles.



A number of initiatives are ongoing or are planned for the future.

# Helpful definitions

## Understanding the gender pay gap

The gender pay gap can be thought of as a talent gap as it identifies an unequal distribution of men and women across the company where more males are employed in higher paid roles.

## Reporting our UK gender pay gap

Regulations in the UK require all legal entities in Great Britain that employ 250 or more employees to publish a number of statistics relating to the difference in remuneration between their male and female employees. Johnson Matthey employs nearly 4,500 people in the UK through a number of legal entities. The majority of our people are employed by either Johnson Matthey Plc (84%) or MacFarlan Smith Limited (9%). However, we have also decided to voluntarily disclose our combined UK results, which includes employees in our legal entities with fewer than 250 employees.

# 4,500

People in the UK employed by Johnson Matthey

The gender pay gap is not the same as equal pay

Equal pay means that men and women with equivalent experience and performance doing equivalent work should receive equal pay. Johnson Matthey is committed to providing equal pay for equivalent work because it's the right thing to do.

Our pay policies and practices are designed to control potential biases and to help ensure a meritocracy where men and women with the same experience and performance doing equivalent work are paid equally. We also have a standard global approach to job grading, which underpins how we reward our employees.

A gender pay gap does not mean that there are equal pay issues, rather it identifies an unequal distribution of men and women across the company where more males are employed in higher paid roles. It can really be thought of as a gender talent gap.

# Mean versus median pay gap

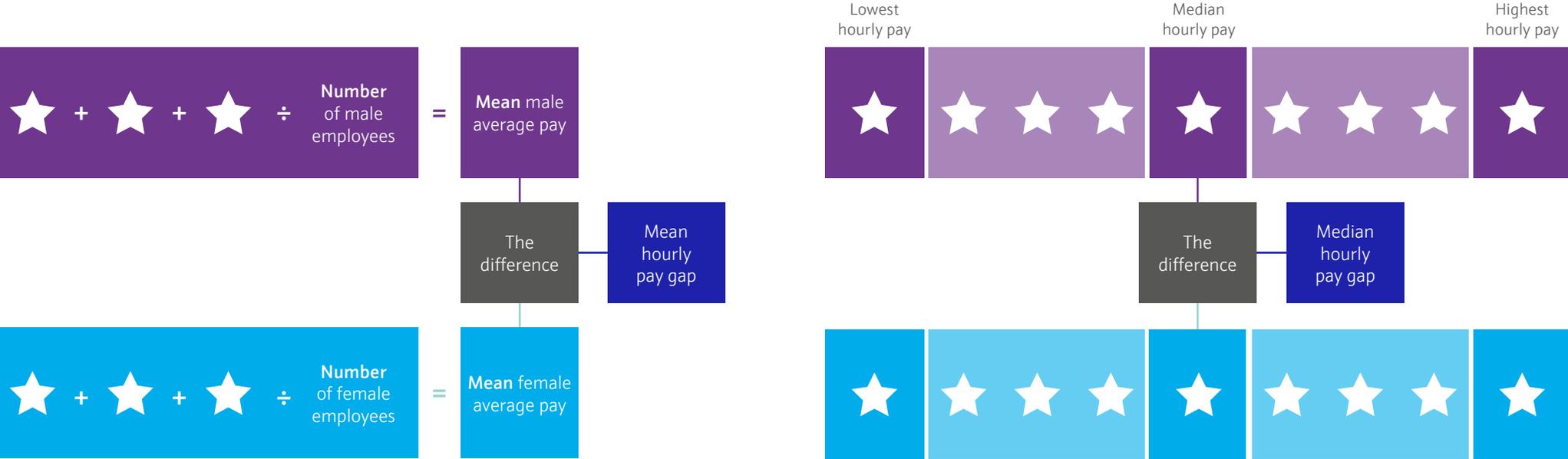


## The mean pay gap

The mean gender pay gap is the difference in the average hourly Ordinary Pay rate for women compared to men.

## The median pay gap

The median represents the mid-point. If you separately lined up all the women and men, the median pay gap is the difference between the hourly Ordinary Pay rate of the middle woman compared to that of the middle man.



Ordinary Pay is not limited to basic pay, but also includes other types of pay such as allowances, pay for leave and shift premium pay. It does not include pay for overtime or pay relating to redundancy / termination of employment. The figures used are gross before income tax and national insurance deductions but after any deductions for salary sacrifice benefits e.g. pension, childcare vouchers etc.

# Understanding our pay gap

Johnson Matthey UK  
Consolidated numbers including all UK employees

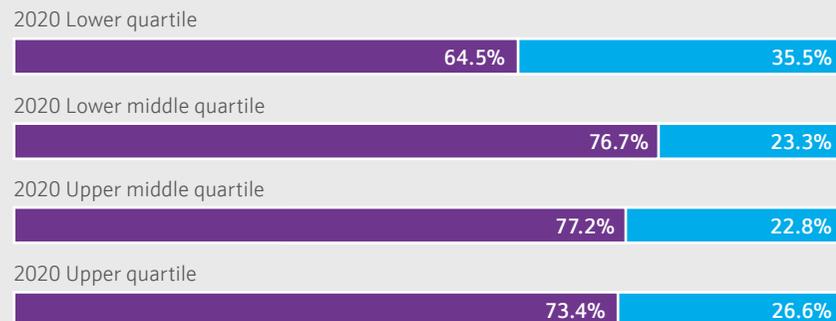
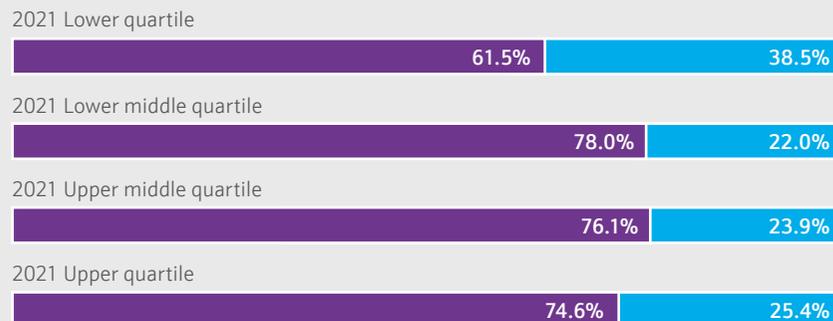
+15.4%  
ONS Great Britain median pay gap

Men Women

**100%**  
of Johnson Matthey



## Population by pay quartiles



% receive a bonus payment

**80.6%**

% receive a bonus payment

**79.4%**

# Understanding our pay gap

Johnson Matthey Plc  
Our largest employing entity in the UK

+15.4%  
ONS Great Britain median pay gap

Men Women

# 84%

of Johnson Matthey

28.4%  
women

71.6%  
men



## Population by pay quartiles

2021 Lower quartile



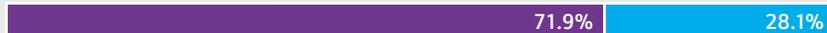
2021 Lower middle quartile



2021 Upper middle quartile



2021 Upper quartile



2020 Lower quartile



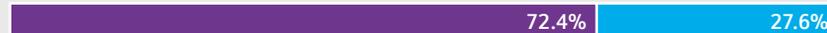
2020 Lower middle quartile



2020 Upper middle quartile



2020 Upper quartile



% receive a bonus payment

# 89.0%

% receive a bonus payment

# 85.3%

# Understanding our pay gap

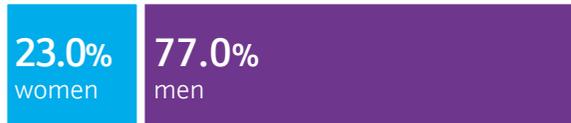
MacFarlan Smith Limited  
Employs individuals in Edinburgh, Scotland

+15.5%  
ONS Great Britain median pay gap

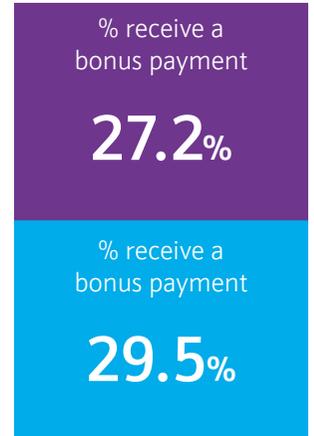
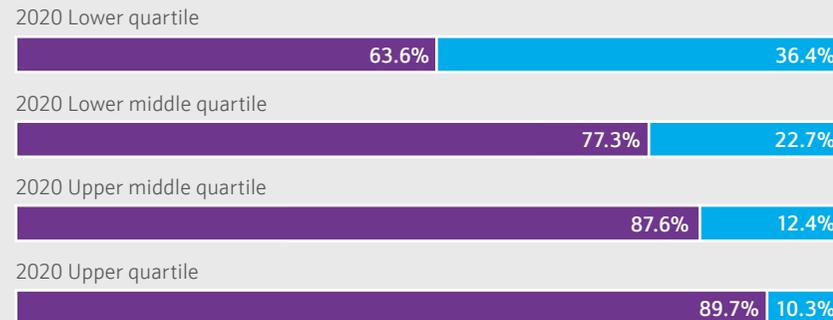
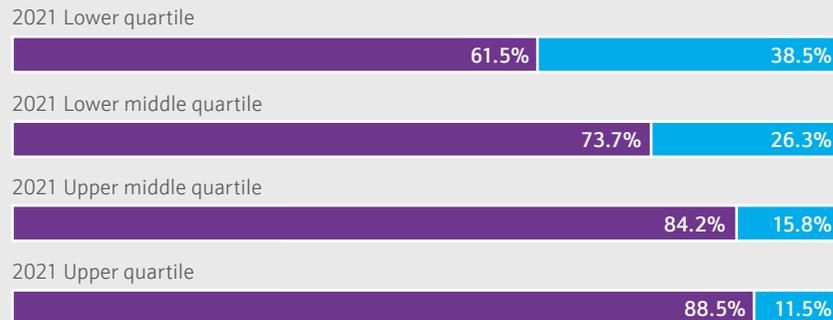


# 8%

of Johnson Matthey



## Population by pay quartiles



# Understanding our pay gap

## We have made good progress in maintaining gender balance in our graduate and junior roles, but we must focus on retention and development of women into management positions.

We have seen a decrease of females in both our senior management and GMC level positions, causing the widening of our mean pay gap. We are committed to reversing this trend and ensuring female representation through the development and promotion of females in the organisation.

Our median pay gap has narrowed, and this is primarily driven by the increase in pay levels of females in non-management positions, which are reviewed as part of an annual merit process.

Our gender pay gap also continues to be driven by female under-representation and by the gender split in our different functions.

This is because our pay ranges differ by function as well as by job level to reflect the variations in market rates of pay for different functions.

For example, our pay ranges for chemical engineers are higher than for roles in Human Resources (HR) at the same grade, and as we have more male chemical engineers and more women in HR, this uneven gender distribution contributes to our gender pay gap.

Our gender pay gap also reflects broader issues that are also evident in the wider economy, including:

- Fewer women occupy our science, technology and engineering roles. With only 26% of UK graduates studying science, technology, engineering and mathematics (STEM) being women<sup>2</sup> it is challenging to recruit more women into our technical roles.
- A large number of our manufacturing roles are held by men, which is consistent with the demographics in the wider economy. In particular, shift patterns requiring employees to work less sociable hours attract a shift allowance, and women are less likely than men to work these shift patterns.



Ron Gerrard  
Chief EHS & Operations  
Officer

***"Diversity and inclusion is the cornerstone of a sustainable business. It enables greater innovation, agility, engagement and ultimately success."***

# What we are doing to eliminate the gap



**We are making good progress with the gender pay gap as we continue to focus on a number of key areas to achieve a truly inclusive culture.**



***"Diversity helps us to welcome different perspectives and open new possibilities."***

Jane Toogood  
Sector Chief Executive,  
Efficient Natural Resources

We have appointed a new global head of diversity and inclusion dedicated to driving our diversity and inclusion agenda. The immediate focus of this role has been to build leaders' confidence and competence in talking about difference, and building trust and awareness across the organisation generally.

We continue to be successful in attracting and recruiting females onto our global graduate programmes, and this year 67% of our UK graduate hires were female across STEM, operations and commercial roles.

## Training and development

Diversity and Inclusion is embedded into our induction processes and our leadership development programmes and unconscious bias training continues to be a prerequisite for all hiring managers.

We also offer a range of diversity and inclusion programmes at all levels to raise awareness and help educate our people across the organisation.

Analysing our internal talent review processes, we continue to identify opportunities to develop talent in our female middle management population. We have implemented a talent policy and set of principles to maintain focus on diversity across all of our transformation programmes.

## Standards and data

Because we know that data is key to supporting our sustainability goal, we plan to further improve the quality of our data capture on diversity and Inclusion and gender balance.

We run a global engagement survey every two years. In 2021 we asked employees to share diversity information, such as gender identity and ethnicity, for the first time. With over 80% of survey participant answering these questions, this information will help us better share our approach and actions to encourage female and other areas of diversity in the future.

# What we are doing to eliminate the gap

## Recruitment and talent management

We continue to use gender neutral recruitment practices, using job adverts with gender neutral language and diverse candidate shortlists.

Our Talent Acquisition (TA) team has implemented LinkedIn Talent Insights to give data on the diversity of target candidate pools and to inform the recruitment approach in advance. They also use an artificial intelligence sourcing tool which enables the team to proactively target diverse candidates.

This data has provided a solid foundation for the TA team to build upon during 2022 to drive improvements in the sourcing and recruitment of female talent, particularly in senior roles.

Our TA and communications teams continue to transform our candidate communications and experience to ensure that our Employee Value Proposition (EVP) resonates with all our internal and external audiences and attracts a range of talent that is as diverse as possible.

To avoid adopting any gender pay bias that may exist in the wider market on recruitment, we have established and applied clear pay policies and pay ranges by function and job level

## Flexible working and parental leave

We want all employees at Johnson Matthey to be able to build a successful career without compromising their life outside work, whether that be for family life, personal interests or other interests. In support of this, in 2018 we launched a global flexible working policy and we continue to work to ensure it is embedded into our working practices across Johnson Matthey, enabling any employee to consider how, when and where they work.

2018 also saw the introduction of a global minimum standard of parental leave. Employees are now eligible for no less than 16 weeks of paid leave following the birth or adoption of a child if they are the primary caregiver, and two weeks if they are the secondary caregiver.

However, there is still much to do, and our goal now is to improve the take up, by all genders, of these new policies and associated benefits.

**We know that it will take time for there to be even more change. We are committed to making progress and building an inclusive and diverse environment so that Johnson Matthey is more representative of the world in which it operates.**



## Declaration

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We confirm the information and data reported are accurate as of the snapshot date 5th April 2021 and in line with the UK Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Annette Kelleher**

Chief Human Resources Officer,  
Johnson Matthey Plc

**Johnson Matthey**  
Inspiring science, enhancing life

