

Board Diversity Policy

This paper sets out the Johnson Matthey Plc (“JM”) Board’s policy that ensures the tone for diversity and inclusion in JM is set from the top and that our business continues to be governed by a team with a diverse set of views and perspectives.

Johnson Matthey’s diversity and inclusion ambition

Building a truly diverse and inclusive organisation is fundamental to our vision, as well as execution of our strategy and our significant sustainability agenda. Having a diverse workforce enables innovation and superior business performance because of the value we put on different perspectives and opinions and creating an environment in which everyone feels they belong and can openly contribute. Our shareholders and customers trust us because our rich diversity is a hallmark of a sustainable, well-run business.

Our reputation for an environment where difference matters means that as an employer we stand out from the crowd. Integral to our culture are two fundamental beliefs that difference matters and that all colleagues can bring their full selves to work. We appreciate different points of view and value diversity of thought.

We have an aspiration to be a truly diverse and inclusive organisation and our sustainability agenda sets out the key milestones by which we will measure our progress on this journey.

Board diversity

There is significant research that demonstrates the impact an effective diversity and inclusion strategy can have on business performance. The diversity of boards is increasingly being used as a hallmark of an ethical, sustainable business that can be trusted by its shareholders and customers and other stakeholders.

The Board acknowledges the importance of diversity in its broadest sense in the boardroom as a driver of board effectiveness. The Chair leads JM’s board diversity agenda and consideration is given to the combination of demographics, skills, experience, race, age, gender, educational and professional background and other relevant personal attributes on the Board to provide the range of perspectives, insights and challenge needed to support good decision making.

Board composition

The Board will keep under review and evaluate its balance and composition to ensure that both it and its committees have the appropriate mix of skills, experience, independence, knowledge and different perspectives to ensure their continued effectiveness. In doing so, the Board will consider diversity, including diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, amongst other relevant factors.



The Board will satisfy itself that plans are in place for orderly succession for appointments to the board to maintain such balance and to ensure progressive refreshing of the Board.

The challenges of achieving board diversity

The board recognises that some challenges in achieving diversity on the board and within the company arise from social contexts with impacts not limited to the company. As such, Johnson Matthey faces challenges like those faced by other companies in our industry.

In JM we aim to maintain a level of 33% of board roles represented by females in line with the Hampton Alexander recommendations. As at the date of this policy, the Board had 25% female representation, falling short of the aim of 33%, but the medium-term intention is to at least maintain this balance.

On ethnic diversity, the Board will continue to meet the objectives of the Parker review for at least one director of colour by the target date of 2021.

The immediate plans for the year include a facilitated discussion with an external expert on how the Board might support the change required in JM to deliver our diversity and inclusion goals. For future board appointments, the Board will ask any executive search firm to secure a diverse candidate longlists.

Board appointments

Whilst maintaining a commitment to diversity all appointments to the board will be made on merit, considering suitability for the role, board balance and composition, the required mix of skills, background, and experience. Other relevant matters will also be considered, such as independence and the ability to fulfil required time commitments in the case of non-executive directors.

The Board will consider suitably qualified candidates for non-Executive Director roles from as wide a pool as appropriate, including candidates with little or no previous listed company board experience but whose skills and experience will add value to the Board.

The Board will brief executive search consultants engaged in the selection process for non-executive directors to review candidates from a variety of backgrounds and perspectives. They will be required to work to a specification which includes the strong desirability of producing a long list of candidates considered to meet the essential criteria for the role which fully reflects the benefits of diversity. The board will only engage executive search consultants who have signed up to the Enhanced Voluntary Code of Conduct for Executive Search Firms on gender diversity on corporate boards and who understand JM's values and approach to diversity, including this Board Diversity Policy, and will comply with those values and approach in identifying and proposing suitable candidates for appointment to the Board.



Appropriate succession planning

The Board places strong emphasis on ensuring the development of diversity and we are focused on improving our talent and recruitment processes to increase the proportion of senior leadership roles held by women, people from ethnic minority backgrounds and other under-represented groups across JM in support of the Hampton-Alexander Review and Parker Review recommendations.

A talent review process is in place that enables the identification, management, and development of diverse talent pools. Outputs from the talent reviews are aggregated once a year and reviewed by the Nomination Committee which ensures.

- appointments and succession plans are based on objective criteria
- actions are in place to develop a diverse pipeline for future succession
- JM is on track to deliver a diversity and inclusion strategy that will meet strategic objectives
- the gender balance of those in senior roles and their direct reports is reviewed

Disclosure

The Board will ensure that there is appropriate and meaningful disclosure in the company's annual report of:

- this policy.
- the composition and structure of the Board.
- the outcome of Board evaluation and any material actions arising.
- the Board appointment process; and
- the policies and initiatives the Group has in place and the steps it is taking to promote diversity at Board level and across the Group.

Review

The Board will periodically review this policy and its effectiveness.

**The Board of Directors,
Johnson Matthey Plc
25th May 2021**