



Johnson Matthey

Johnson Matthey Plc Ethical and Sustainable Procurement Policy

Principles and Policies:

Conducting our business in an ethical and sustainable way is fundamental to Johnson Matthey, and our *Code of Ethics* sets out individual and collective responsibilities in respect of this.

This Ethical and Sustainable Procurement Policy, which applies to all purchases of goods and services, sets out how we will conduct business with our suppliers and describes the expectations we have of our suppliers regarding the way they conduct their business. Our aim is to ensure that the way business is conducted throughout the whole of our supply chain conforms to our own standards and is legally compliant.

This Policy supports the aims and principles of our Code of Ethics and our Sustainability vision statement, both of which can be found on our website at www.matthey.com.

As stated in our Code of Ethics, we support, and expect all our suppliers to support, the principles set out within the UN Universal Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

Ethical Procurement

A reputation for integrity has been a cornerstone of our business since it was founded in 1817. We strive to maintain the highest standards of ethical conduct and corporate responsibility worldwide and seek to influence our suppliers to operate to similar high standards as ourselves.

Sustainable Procurement

Sustainability is a key element of our strategy for the future growth of our business and in our long term vision we have set out our direction and aspirations to become a more sustainable business in the future. We are committed to the principles of sustainable development and aim to encourage our suppliers to adopt the values of sustainability which we uphold.

Procedures:

We will:

- ◆ expect all our employees and those doing business on Johnson Matthey's behalf, including our agents, distributors, joint venture partners, consultants and other third party intermediaries to adhere to the principles in our Code of Ethics
- ◆ select and treat our suppliers fairly and objectively at all times;
- ◆ pay suppliers in accordance with the agreed terms and deal with exceptions in a timely manner;
- ◆ ensure an ethical basis to business practice;
- ◆ seek to ensure that our suppliers' sustainability credentials are considered in our supplier appraisal process and that, where appropriate, sustainability criteria are used in the award of contracts;
- ◆ work with our suppliers to eliminate enslaved labour or human trafficking if we find evidence of this practice, (reporting this to the relevant authorities where appropriate); and if the use of enslaved labour or human trafficking cannot be eliminated, we will not continue relationships with these organisations;
- ◆ seek to ensure that key suppliers understand and comply with this Ethical and Sustainable Procurement Policy.

We expect our suppliers to:

- ◆ conduct business without the payment or receipt of inducements, unlawful incentives or other benefits that might be considered an attempt to influence decision makers;
- ◆ respect fundamental human rights, including worker representation;
- ◆ treat employees fairly, never abuse or threaten them and never use forced, bonded or child labour;
- ◆ maintain a safe working environment at all times and provide access to protective equipment and safety training for all employees;
- ◆ maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a sustainable way;
- ◆ comply with all applicable local, national, regional and international laws, regulations and directives at all times;
- ◆ respect the intellectual property rights of others.

Key controls:

Group and divisional supplier surveys, audits and supplier site visits at a level of detail and on a frequency that is reasonably practicable and proportionate and is based upon a risk based approach.

Best practices and additional guidance:

Johnson Matthey Group Sustainability and Group Ethics & Compliance functions provide corporate guidance and updates to relevant legislation.

Johnson Matthey Divisional Sustainability managers can provide local guidance and training to their procurement teams.

Further guidance is provided in:

The Johnson Matthey *Sustainability Governance* section of the corporate website:

<http://matthey.com/sustainability/sustainability-governance>

The Johnson Matthey *Code of Ethics* document:

[http://matthey.com/about us/governance/code-of-ethics](http://matthey.com/about_us/governance/code-of-ethics)